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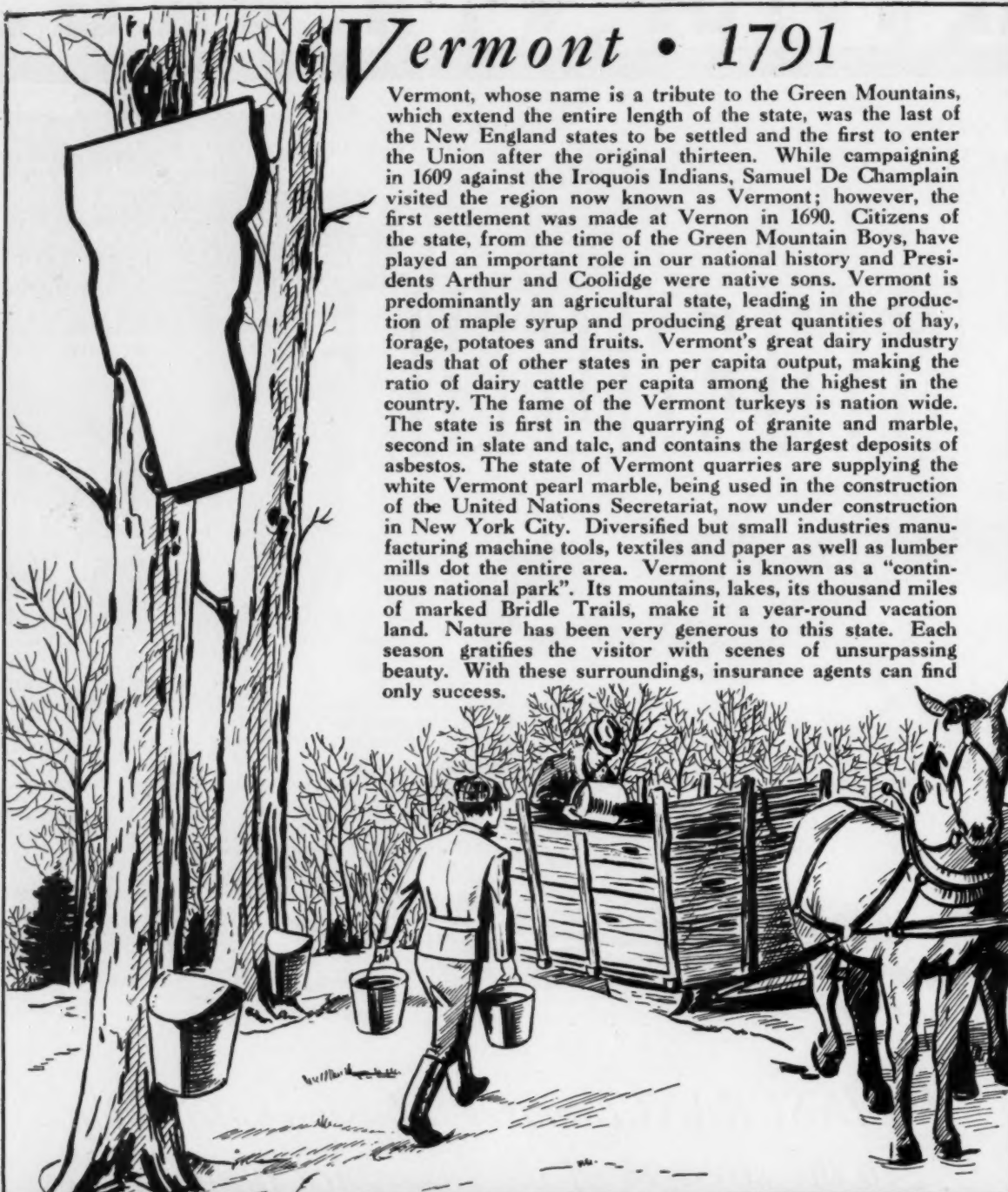
GENERAL REINSURANCE
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Casualty • Fidelity
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CORPORATION
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INDIANA AGENTS CONVENTION

THURSDAY, NOVEMBER 10, 1949



Vermont • 1791

Vermont, whose name is a tribute to the Green Mountains, which extend the entire length of the state, was the last of the New England states to be settled and the first to enter the Union after the original thirteen. While campaigning in 1609 against the Iroquois Indians, Samuel De Champlain visited the region now known as Vermont; however, the first settlement was made at Vernon in 1690. Citizens of the state, from the time of the Green Mountain Boys, have played an important role in our national history and Presidents Arthur and Coolidge were native sons. Vermont is predominantly an agricultural state, leading in the production of maple syrup and producing great quantities of hay, forage, potatoes and fruits. Vermont's great dairy industry leads that of other states in per capita output, making the ratio of dairy cattle per capita among the highest in the country. The fame of the Vermont turkeys is nation wide. The state is first in the quarrying of granite and marble, second in slate and talc, and contains the largest deposits of asbestos. The state of Vermont quarries are supplying the white Vermont pearl marble, being used in the construction of the United Nations Secretariat, now under construction in New York City. Diversified but small industries manufacturing machine tools, textiles and paper as well as lumber mills dot the entire area. Vermont is known as a "continuous national park". Its mountains, lakes, its thousand miles of marked Bridle Trails, make it a year-round vacation land. Nature has been very generous to this state. Each season gratifies the visitor with scenes of unsurpassing beauty. With these surroundings, insurance agents can find only success.



CRUM & FORSTER
MANAGER



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| UNITED STATES FIRE INSURANCE CO. | Organized 1824 | THE WESTERN ASSURANCE CO., U. S. Branch | Incorporated 1851 |
| THE NORTH RIVER INSURANCE CO. | Organized 1822 | THE BRITISH AMERICA ASSURANCE CO., U. S. Branch | Incorporated 1833 |
| WESTCHESTER FIRE INSURANCE CO. | Organized 1837 | SOUTHERN FIRE INSURANCE CO., Durham, N. C. | Incorporated 1923 |
| THE ALLEMANNIA FIRE INSURANCE CO. of Pittsburgh Organized 1868 | | | |

WESTERN DEPT. FREEPORT, ILL. • PACIFIC DEPT. SAN FRANCISCO • SOUTHERN DEPT. ATLANTA • ALLEGHENY DEPT. PITTSBURGH • CAROLINAS DEPT. DURHAM, N. C.

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Implications of General Mills Case Are Traced

What has been worked out in the way of mortgagee protection on the part of owners, mortgagees and fire insurance companies offers a hint as to what might be done to solve the problem of protecting tenants against liability to owners for negligent destruction of the property by the tenant by fire, according to Nicholas S. Kiefer, Chicago attorney, who addressed the convention of American Mutual Alliance at Chicago on the famous General Mills case.

What tenants probably want, he said, is what they generally believed they had, that is, immunity as against landlords from liability for fires caused by tenants' negligence. The insurance companies cannot help tenants secure immunity. That is something to be worked out between landlords and tenants in leases.

How Insurers Can Help

Insurers can help tenants only to the extent that tenants, or owners, or owners and tenants in combination, are willing to purchase insurance which will protect the tenants from financial loss under facts comparable to those in the General Mills case. Some contend that a tenant cannot be insured under a fire policy up to the value of the building because his insurable interest would be no more than the value of his leasehold. While Mr. Kiefer said he has not gone into this point thoroughly, it seems to him that it makes little difference how the companies insure tenants, just so they do it in a way that makes available to the man who rents a building the same coverage that is available to the man who owns and occupies a similar building.

If a method is devised for covering tenants for fire insurance to the same extent that the owner is covered in what is primarily the owner's policy, the tenant would have to see to it that the owner carried sufficient insurance. Otherwise, in case of loss, the owner would sue the tenant for the difference between the insurance payment and the loss. He suggested a parallel in railroad sidetrack agreements. There are so many cases starting with a locomotive throwing sparks and ending up with the insurance company getting a judgment against the railroad, that railroads insisted on being relieved of any liability for fires when contracting for sidetracks. When policies are written on property served by sidetracks, they are endorsed to show the insurance company's agreement that there can be no subrogation against the railroad.

Question of Endorsement

There is a question as to whether, if leases generally relieve tenants of liability for fires caused by the tenant's negligence, the policy should be endorsed as is done with the railroad sidetrack properties.

It is extraordinary that practically no fire insurance companies have on their own volition started subrogation cases against tenants who started fires in their rented quarters. The insurers and tenants seem to have taken for granted the fire policy should cover tenants to the same extent as it covers owners, but tenants will be foolish to take that attitude any more. One decision by a federal district court such as that in the General Mills case is not certain to be followed all over the country. However, tenants everywhere should try to play safe in this matter. The General Mills case might appeal to many courts as a good case to follow. Insurers would be foolish not to help tenants out of their

predicament by making proper coverage available.

The matter of liability for fire and water damage to adjoining properties where the latter are damaged because of a fire caused by negligence is a different question and should be accorded separate consideration, he declared.

Some Progress Made

Mr. Kiefer said that some progress has been made in meeting the situation since the General Mills decision was given. At the Seattle convention of insurance commissioners there were proposed rules for suspending the filing of forms used by fire insurance companies in writing insurance against liability imposed by law and the commissioners' committee favored the plan. It agreed that sufficient statistical data is lacking and it is recognized there is a demand for such coverage. It is thought that in five years nationwide statistics would be available.

Mutual Casualty Insurance Rating Bureau on Oct. 19 notified its liability rating committee that this plan will be considered at the next meeting. The mutual committee in January directed the bureau staff to investigate activities looking to the writing of insurance against liability for fire damage.

Source of Apprehension

The General Mills case, he said, has highlighted a legal situation which every person who leases real estate should view with apprehension. On Nov. 1, 1946, General Mills leased an industrial building in Minneapolis. The property had been offered to it for \$100,000 but it did not wish to purchase. "Federal income taxes induce some apparently odd business actions," he remarked. General Mills believed it would be to its advantage to rent the building for 15 years at \$15,000 per year, plus real estate taxes instead of buying. Whatever the federal tax advantage was calculated to be, he expressed the belief that General Mills now wishes it had purchased the property.

The lawyer who offered the property for sale and who negotiated the lease arranged for himself and several relatives to buy it for \$100,000. General Mills used the building in the manufacture of cast aluminum household pressure cookers. On Jan. 15, 1948 there came to one of the men operating a lathe, a rough casting which was too hot to machine. The machinist, acting on his own idea, took the casting up with a pair of tongs and put it into the vegetable oil reservoir to cool it. There was a flare-up of flame which caused the fire that destroyed the building.

Owners Collected Insurance

The owners had insurance of \$100,000 and collected the full amount from Indiana Lumbermen's Mutual. The owners were, of course, disappointed that this investment had been so quickly terminated. They arranged to sue General Mills on the ground that the fire and destruction of the building was caused by the negligence of its employee.

The insurance company did not instigate the General Mills case. The owners believed they could prove up a loss in excess of their insurance coverage. Probably there would have been no case if the owners had had insurance to value. The case was tried before Federal Judge Nordbye at Minneapolis, the case being Goldman vs. General Mills. The court let the questions of negligence and damages go to the jury. The court has held that General Mills negli-

Auto Physical Damage Rates Slashed in N. Y.

NEW YORK—Reductions averaging 19.5% in fire, theft and collision insurance rates for commercial vehicles in New York are announced by Superintendent Dineen. Rates for private passenger cars were also adjusted in line with recent loss experience, resulting in moderate reductions for fire and theft in all territories, and reductions in collision rates for most cars in almost all territories. Exceptions are Manhattan, Bronx, Brooklyn and Queens, where increases are necessary, and cars of model year prior to 1942, on which loss experience has been unfavorable.

The new rates were filed by National Automobile Underwriters Assn. and are effective November 7, 1949. They will apply to new and renewal policies written on and after that date and all policies written to become effective on and after Jan. 1, regardless of when written.

The commercial car changes include reductions ranging from 15% to 33-1/3% on fire and theft, averaging 23.3%, and an average reduction of 22.7% for comprehensive coverage. Collision rates, local hauling, are reduced 25% for \$50 deductible and 20% for \$100 deductible in New York City, 20% for both \$50 and \$100 deductibles in the balance of state. Intermediate and long haul collision rates are unchanged.

Private Passenger Revision

On private passenger cars, varying increases and decreases in collision rates are adopted for each territorial sub-division in accordance with local loss records. In Schenectady, Albany, Broome, Niagara and Onondaga territories, a 20% reduction was earned. Other decreases are: Amsterdam—Gloversville—Johnstown, 17.9%; Erie and Suffolk, 12.0%; City of Utica, 10.7%; Monroe, Nassau and Staten Island, 4.3%, and "remainder of state" territory, 3.6%. Increases were granted in New York City and part of Queens (7.9%) and remainder of Queens (13%). Troy and Westchester are unchanged. In all territories, cars of 1941 model year and prior vintage will pay rates approximately 10 percentage points greater than indicated. All such cars are re-symbolized in rate manuals for this purpose. While rates on such cars remain lower than on newer models, recent loss data revealed that the spread in rates between older and newer cars had become excessive and required revision.

Private passenger fire and theft rates are reduced 3.5%, while comprehensive rates are correspondingly reduced in all territories except where the effect of re-symbolizing of older cars produced increases in New York City of 2.6% and in Queens of 1.3%. However, no change has been made in minimum premiums for these coverages, which remain at \$8 for comprehensive and \$6 for fire and theft.

gently burned the building and must pay for it.

Under the lease General Mills was required on termination to turn the property back to the owners in as good condition as when it was leased, "loss by fire and ordinary wear excepted." General Mills contended that since fire destroyed the building, it was not required to respond in damages. The court said the provision is somewhat ambiguous upon the question of whether General Mills was relieved for negligently setting the fires, but concluded

(CONTINUED ON PAGE 30)

Independent Group Has Biggest Ever Annual Gathering

Many Topical Issues

Treated in Fortright Fashion—Alex Nelson President

Registration at the annual convention of National Assn. of Independent Insurers at the Edgewater Beach hotel,



Vestal Lemmon



John H. Carton

Chicago, exceeded 325. This organization is a child of the S.E.U.A. decision, public law 15 and the rating statutes, and it has developed into a five year old youngster of substantial proportions and vitality. Each year the convention takes on larger and larger dimensions and loses much of the informality that characterized it as a smaller, more intimate group. It brackets a great variety and size of companies from coast to coast, and it is a definite factor in formulating industry decisions.

There were a great many papers offered touching on current topical matters of importance at the four business sessions and U. S. Senator Paul Douglas of Illinois made a great hit at one of the luncheons.

The group is a foe of rigid regulation both in language of the statute and in the administration of the laws and shows its fangs whenever anything of a menacing nature to the independence of the independents appears.

Alex Nelson New President

Alex R. Nelson, president of Hawkeye Casualty, was elected president, succeeding John H. Carton, president of Wolverine. Secretary is C. L. Morris, Illinois National Casualty; treasurer, Charles W. Margraff, Motorists Mutual of Columbus and assistant secretary and headquarters executive, Vestal Lemmon of Chicago, and there were elected enough vice-presidents to staff a good-sized bank, there being seven in all—W. L. Hays, American Fire & Casualty; Arthur Eppstein, Oregon Automobile; I. J. Maurer, Farmers Mutual of Madison; Herbert H. Rhein, Missouri Auto Club Inter-Insurance Exchange; Leo Goodwin, Government Employees; W. E. Acker, Farm Bureau Mutual of Manhattan, Kan., and I. S. Markel, American Fidelity & Casualty.

There was a good deal of interest in the matter of reporting loss expense which has been a highly controversial question between various segments of the business and with the state officials for a long time. Just prior to the meeting of the independents at Chicago, there had been a meeting of the industry group on this question at New York at which a statement was agreed

(CONTINUED ON PAGE 16)

Agree to Keep Ky. Rating Laws in Present Form

In the early stages of the hearings at Frankfort on the proposed new Kentucky insurance code, Commissioner Southall and the other state representatives acceded to the request of the companies that the fire and casualty rating laws that follow the all-industry pattern be left as is. The original draft of the code adopted the state of Washington scheme of telescoping the laws into a single statute and this brought objection from both the fire and the casualty side. Main author of the Kentucky code proposal is Robert D. Williams of Seattle who drafted the Washington program.

Also the Kentucky department has agreed that the fair trade practices and unauthorized insurance provisions shall be templated by the all-industry molds rather than being keyed to the Washington departures.

The hearings ran all last week at Frankfort and are continuing throughout this week. It was decided that there shall be final sessions there Nov. 17-19. At that time there will be available a summation of the points on which there

is agreement and a summation of the disputed issues and language. That will be something of a show down period. This additional engagement, however, will not interfere with the hearings that will be held at various other cities throughout the state at the same time.

To Offer C.P.C.U. Courses

Mankato State Teachers College will offer the introductory course on property and casualty insurance of the National Assn. of Insurance Agents beginning with the December semester. Arrangements for the course were made by Howard Williams, local agent at Mankato; Loren D. Capretz, Austin, education chairman of the Minnesota association, and George W. Blomgren, secretary of the state association. Classes will be held one night a week and will be open to agents and insurance buyers in a radius of 30 miles.

N. J. Square Club Slate

Nominations for officers of Insurance Square Club of New Jersey, to be voted on at the annual meeting at Newark Nov. 14, are: President, Kenneth G. Long, Century Fire; first vice-president, Carl F. Fry, Boston; second vice-president, Edgar O. Rose, Northern of N. Y.; Herbert L. Brooks, local agent.

Assistant Managers



C. G. Thro



R. H. Gregg

Pictured here are C. G. Thro and R. H. Gregg, whose appointments as assistant managers of the western department of Crum & Forster at Freeport, Ill., were reported recently in THE NATIONAL UNDERWRITER. Mr. Thro, a native of Freeport, has spent his entire business career with the company, having started as an office boy and mail clerk in 1913. In 1929 he became agency superintendent. He was later placed in charge of underwriting and will continue in that capacity. Mr. Gregg started in insurance with his father's agency at Newman, Ill. He was with Connecticut Fire before joining Crum & Forster in 1928 as Illinois special agent. He was promoted to state agent in 1941, and in 1946 moved to the western department as superintendent of the farm and hail department where he will continue in charge.

N. C. Probes Operations of Specialty Pools

RALEIGH — A public hearing to determine the scope of activities allowed by the North Carolina law governing "Pools, Groups and Associations" will be held by Commissioner Cheek Nov. 15.

Mr. Cheek said complaints have been received from various sources to the effect that companies have gone beyond the scope intended by this section, which provides that any insurer, individually or as a member of a pool, group, or association engaged in the business of insuring special types or classes of risks in connection with which a particular inspection or engineering service and set of standards has been maintained to the satisfaction of the commissioner, shall submit loss experience data for the approval of its schedule of rates or deposits, forms and plans of operation, either directly in its own behalf or through a unified facility of the group created and licensed by the commissioner for that purpose and maintained entirely or in part for such a purpose.

Complain of Wandering

At the hearing particular emphasis will be given to the proper meaning of the language "Special types or classes of risks in connection with which a particular inspection or engineering service and set of standards has been maintained to the satisfaction of the commissioner."

Mr. Cheek has heard complaints that some companies handling special types of fire insurance risks have gone into other fields, such as hospitals and apartment buildings.

Would Reject Omaha Offer

OMAHA—City Attorney Fogarty has advised the city council not to accept the offer of Insurors of Omaha for a free survey of city insurance needs.

The offer was made on the condition that the group get the insurance recommended. To do that, Mr. Fogarty said, "would be impractical if not impossible," as it disregards competitive bidding.

He said the city council has a number of insurance men as members and they could do the job. Or he said it would be better to have the survey made by someone who would not have insurance to sell.

Assignments Are Made in Setting Up Atlantic Mutual Midwest Division

The organization of the midwest division of Atlantic Mutual and Centennial at Chicago under General Manager Gerald F. Richardson, is now well advanced. The offices are scattered through locations on three floors of the Board of Trade building. These will be consolidated about next May in new quarters there.

Frederick T. Leach, formerly fire manager at Detroit, has been promoted to manager of that office.

Alfred E. Huber, state agent, has opened a new office in the Michigan Trust building, Grand Rapids, and will report directly to Detroit.

Goble Cleveland Manager

Thomas S. Goble has been transferred from Detroit to become Cleveland manager.

Daniel F. Gorski becomes Cincinnati manager, handling southern Ohio, Kentucky and Tennessee. He served there for several years with North America and Fireman's Fund and has been with Atlantic Mutual since May of this year.

F. Kenneth Hinton becomes St. Louis manager in the Paul Brown building, handling Missouri and southern Illinois. His entire business career has been in the marine insurance business in the midwest.

Richard W. Bowen, formerly Cleveland manager, becomes fire manager at Chicago.

Hale River Manager

George A. Hale is named manager of river business for the midwest division. He was formerly with Home at St. Louis and has been with Atlantic Mutual since May.

Robert S. Carter is transferred from the New York head office to Chicago as ocean marine manager. Thomas S. Keegan is named inland underwriting manager at Chicago. He was at one time with Pearl and later with Aetna Fire at Chicago.

T. Alvin Strahle becomes manager of the Chicago service office, handling Cook county and northern Illinois. He was formerly with North America.

A midwest division claims section has been created with Rogert Kellogg as manager. He is transferred to Chicago from the head office.

Donovan Heads Slate of Insurance Accountants

NEW YORK — The Insurance Accountants Assn. has nominated the following slate of officers, to be acted on at the December meeting:

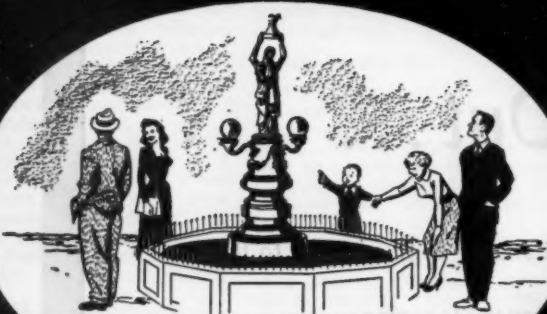
President, J. M. Donovan, Travelers Fire; vice-presidents, G. T. Dearborn, Potomac, program; L. L. Hansell, Royal-Liverpool, uniform accounting, and P. J. Synor, North British, taxation; executive secretary G. C. Whitenack, Pearl; assistant secretary M. J. Roche, Corroon & Reynolds, and treasurer-historian, F. W. Maasen, London Assurance. J. W. Lamble, North Star, retiring president, and H. E. Hill, Providence Washington, were nominated to the executive committee.

At the Nov. 10 meeting here term installment business will be discussed.

N.A.I.A. Steering Group to Hold First Meeting

Melvin J. Miller, vice-president of National Assn. of Insurance Agents, has called a meeting of the executive committee for Nov. 18-20 at the Statler hotel, New York. This meeting will be the first session of the new committee. Chairmen of the newly revised 10 standing committees, the appointments to be announced shortly, will attend for the purpose of planning their activities for the coming year and participating in the discussion.

Fascinating First Facts



FIRST MONUMENT TO AN INSECT!

Erected by the citizens of Enterprise, Alabama, December 11, 1919, "In profound appreciation of the Boll Weevil and what it has done as the herald of prosperity."

The deadly destruction of the Weevil caused cotton farmers to diversify their crops. As a result they tripled their income over what they had previously received in the best cotton years!



If you are looking for new coverages and greener fields, think first of the Saint Paul Companies. Members, American Foreign Insurance Association offering world-wide insurance facilities.

ST. PAUL FIRE and MARINE INSURANCE COMPANY
MERCURY INSURANCE COMPANY
ST. PAUL-MERCURY INDEMNITY COMPANY

First chartered almost a century ago

EASTERN DEPT.
 75 Maiden Lane
 New York 7, N. Y.

HOME OFFICE
 111 W. Fifth St.
 St. Paul 2, Minn.

PACIFIC DEPT.
 Mills Building
 San Francisco 4



Hats Off to the UNICO agent!

Here's a story that ought to hearten any Property Insurance Agent: Recently agents of the UNITED NATIONAL INDEMNITY COMPANY (Casualty affiliate of the National Fire Group) were offered a personalized Direct Mail campaign. It was all packaged up by people *who know the agent's situation and his needs.*

Did it go to the waste basket with the usual yawn? No, sir!

42%

SAID "I WANT TO SEE IT"

That's one for the record, as every home of-

fice knows. Ordinarily, a return of 2%, 5%, or 8% would be good.

It proves . . . that UNICO agents are on their toes and know a good thing when they see it . . . and that the right sales helps are appreciated by the man who does the actual selling. Yes, sir . . .

| | |
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| Good agent | } —the unbeatable combination |
| Good company | |
| Good sales help | |

Thank you, UNICO Agents! And if you missed the first offer . . . or if you want information about United National Indemnity Company . . . there's yet time! Write today!

The National Fire Group

NATIONAL FIRE INSURANCE COMPANY OF HARTFORD
MECHANICS and TRADERS INSURANCE COMPANY



FRANKLIN NATIONAL INSURANCE COMPANY OF NEW YORK
TRANSCONTINENTAL INSURANCE COMPANY

UNITED NATIONAL INDEMNITY COMPANY

EXECUTIVE AND ADMINISTRATIVE OFFICES, HARTFORD 15, CONN.

F. D. LAYTON, Chairman of the Board

H. B. COLLAMORE, President

WESTERN DEPARTMENT

CANADIAN DEPARTMENT

PACIFIC DEPARTMENT

175 W. JACKSON BLVD., CHICAGO 4, ILL.

485 MCGILL ST., MONTREAL 1, P. Q., CANADA

234 BUSH STREET, SAN FRANCISCO 20, CAL.

MEMBER THE ASSOCIATED AVIATION UNDERWRITERS

Californians, 1,000 Strong, Gather for Annual Parley

Largest State Group in Country Holds Three-Day Convention

LOS ANGELES—With the largest membership in its history, a total of 2,260 and retaining its rank as the largest state association affiliated with N.A.I.A., California Assn. of Insurance Agents opened its three day convention here with more than 1,000 registered, and with a program that occupied every moment.

Preliminary to the convention proper, the directors held its annual meeting Nov. 6, with all members in attendance.

There was a breakfast meeting on educational problems with Chairman W. B. Glassick of the education committee, presiding, and another on safety education, with W. R. Van Dusen, chairman of the accident prevention committee, presiding.

Courses Being Revised

Mr. Glassick reviewed the N.A.I.A. courses available to local associations. The introductory course, he said, has some deficiencies that are being corrected and it is hoped to expand it from a 32- to a 50-hour course, with the idea of making it suitable for approval as a study course for preparation for examination for broker's licenses. He told of plans for conducting an institute of advanced agency management in northern California next summer.

President James Bishop of Greater Los Angeles Safety Council and Robert Jackson, public relations director of National Automobile Club spoke at the safety breakfast. It is planned to make "Operation Safety" a state-wide organization. Safety councils will be formed where none now exist and they will be coordinated into a state body to be known as Safety Assn. of California.

John S. Bolton, Los Angeles attorney,

in a talk "Legal Responsibilities of Insurance Procedure," analyzed the authority of an agent and of a broker, their powers to bind the insurer and insured, limitations upon their powers and their personal liability to the companies and to third persons.

Elliott C. Hensel gave a talk on "The Knack of Selling," showing by means of charts the highlights of selling technique.

California Blue Goose was host at a luncheon with 400 in attendance. There was an entertainment program.

The ladies were entertained at luncheon at Pasadena, and a tour of the Huntington Library.

O. Shaw Johnson, president of N.A.I.A., made a plea for unity and said that every segment of the business must demonstrate to the people that it can

A. J. Wohlgenuth of Rough Notes Co., and W. G. Stone of Moore's Business Forms. Each gave an exposition of the supplies and gadgets their firms offer agents to increase the efficiency of their offices.

Mr. Wohlgenuth said Rough Notes was the pioneer in offering agents office helps and 25 years ago had perfected a standard system that has worked satisfactorily everywhere. He said he felt more California agents are going on the accounts current basis and described his systems to care for the change.

Report of Administration

At a meeting of the officers and directors Sunday President A. E. Shepperd presented the report of his administration. He said the association is still leading the nation in number of members with 2,249. Two series of regional meetings were conducted during the year. The association acted as host to the annual meeting of the Far West Agents Conference and a territorial conference of N.A.I.A., the first of the kind ever held. Touching on the work of the accident prevention committee, he said plans are under way which will make it possible to establish driver training programs in every high school in the state.

The legislative committee reviewed the results at the last session of the legislature, including the new California standard fire policy. One bill that passed was a serious setback. It provided an extension of the certificate of convenience to six months.

The casualty and surety committee said the long haul trucking problem, despite the hard work and sincere effort of the committee, remains unsolved. It suggested that the association support a concerted effort to form a service pool.

The education committee reported that 14 local associations sponsored 92 N.A.I.A. standard courses and introductory courses for which 141 graduates were granted certificates.

The membership committee in reporting the total of 2,249 said it showed a net gain of 209 members during the year, which is 20% of the national increase. Five new local associations were formed during the year.

Ore. Agents Elect Oerding

George E. Oerding of Coquille has been elected president of the Southwestern Oregon Assn. of Insurance Agents. V. B. Billingsley, Myrtle Point, is vice-president; William Huggins, Coos Bay, secretary-treasurer; Clyde Deal, Reedsport, and Irvin Schriver, North Bend, executive committee members.

Fulton, Mo., Inspected

Missouri Fire Prevention Assn. conducted a town inspection of Fulton. Arthur L. Corey, Travelers Fire, was speaker at the school meetings and William Klosterman, Loyalty group, spoke at the Rotary club luncheon. Chairman of local program arrangements was Jack Atkinson, Fulton local agent.

Hear Arson Investigator

Harold Anderson, arson investigator for the Pacific Board, addressed Long Beach Assn. in regard to his work.

C.P.C.U. Group at Scottsbluff

Twenty agents in the area of Scottsbluff, Neb., have formed a C.P.C.U. study group in conjunction with Scottsbluff Junior College. Some are commuting from as far as 100 miles to attend.

William R. Nielson, supervising license investigator in the Los Angeles office of the California department, has resigned to join California School of Insurance.

Harry J. Tripp, of the Edward B. Karam agency, is a candidate for mayor of Pittsfield, Mass. He resigned recently as chairman of the Republican city committee.



A. E. SHEPPERD

serve the public more effectively and efficiently than any other method of doing business. He referred to the fact that the national board of state directors authorized creation of a committee on commissions which is to report on the question of whether a policy on commissions can be established. He said he was pleased that A. E. Shepperd, president of the California association, and Paul H. Jones, president of the Arizona association, have agreed to serve on this committee. The agent should work unceasingly for adequate qualification laws and these should require written examinations, education and experience prerequisites, denying of license to financial or lending institutions and should specify that agents and brokers hold premiums in a fiduciary capacity.

One of the features of the convention, unscheduled on the program, was a buffet luncheon tendered President Johnson, the officers and past officers of California association by insurance trade publications.

Discuss Collections, Office Methods

The afternoon session of the opening day was given over to an address by A. D. Johnson, secretary-manager of the Los Angeles Credit Managers Assn., on "Efficient Collection Methods" and to a forum discussion on internal economies, by representatives of four of the leading producers of office supplies for agents.

Mr. Johnson said the adjustment bureau has saved many businesses that otherwise would have liquidated. He is not favorably impressed, as a whole, with collection forms and letters. He said successful collection methods depend largely on people and information about the debtor. He held that insurance has given little time and effort to develop information about individuals that will bring in remittances. He said persons who sell, whether it be merchandise or insurance, should be educated to bring in information about the customer, in order to help make collections.

Participating in the forum on "Internal Economies" were L. C. Mather of Remington - Rand; Harry Yerg of Charles R. Hadley & Co.; President

New Hampshire PORTSMOUTH

where the traditions of a storied past live with modern commerce in an atmosphere of charm was first visited in 1603 by Martin Pring. Later Sir Fernando Gorges and Captain John Mason established a colony and fishery two miles east of the present city. The excellent harbor and fine timber made ship-building inevitable and encouraged the merchant class under whom Portsmouth gained its greatest glory. The prosperous West Indian trade made possible the delicately

designed mansions which are evidences of the wealth and culture of former days.

THE GAZETTE, oldest newspaper in the United States, has been continuously published in Portsmouth since 1756.

Backbone of the modern city, which is

a popular summer resort and shopping center for a large area, is the United States Navy Yard, devoted to submarine building and repair. The Home Office of the Granite State Fire Insurance Company, as sound and solid as its name, has been in Portsmouth since 1885.

NEW HAMPSHIRE FIRE INSURANCE COMPANY

Incorporated 1869

MANCHESTER, NEW HAMPSHIRE



GRANITE STATE FIRE INSURANCE COMPANY

Incorporated 1885

PORTSMOUTH, NEW HAMPSHIRE



Old Advice but always good...

DON'T PUT ALL YOUR EGGS IN ONE BASKET

If you are considering better ways of improving policyholder's service by either supplementing your current plate glass replacement connection or looking for an entirely new opportunity — Hamilton Glass Company can help you!

HAMILTON GLASS COMPANY OFFERS THESE IMPORTANT INSURANCE SERVICES

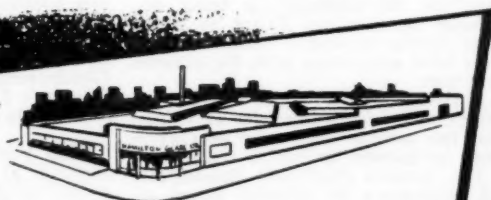
Wise investors diversify their funds because it is seldom that one source supplies all the necessary demands for safety and security. Whether you are investing capital or selecting a plate glass replacement service it is sage advice—"Don't put all your eggs in one basket."

Hamilton Glass Company provides an opportunity for plate glass underwriters to broaden the scope of their operations. Our specialized facilities, added to your present replacement service, give you the necessary diversification for safe, all-round performance. You gain the competitive advantage of speed, service and goodwill when Hamilton's 60 years of replacement experience stand back of every plate glass policy you write.



If it's Glass we have It

170,000 square feet exclusively devoted to glass.



Hamilton GLASS COMPANY, INC.

2750 WEST GRAND AVENUE, CHICAGO 12

service

HAMILTON GLASS PROVIDES AN OPPORTUNITY TO BROADEN YOUR PRESENT ACTIVITIES

1. Complete engineering, inspection and maintenance facilities.
2. Specialized department for the handling of glass replacements.
3. Experienced personnel provides you with intelligent cooperation.
4. One of America's most completely equipped glass warehouses.
5. Largest staff of union-craftsmen in the middle-west.
6. Fast, reliable emergency service on all insured risks.
7. Many free services to insurance company and assured —extending throughout the policy period.

Investigate TODAY the outstanding performance of Hamilton Glass and how it is helping to build satisfied policyholders and increase your premium dollars.

SERVICE AT YOUR COMMAND . . . TELEPHONE EVerglade 4-1400

Everything a Glass Company can do... Hamilton does better!

N.A.U.A. Advances Fry, Japenga in West

Paul Fry, who has been assistant branch secretary of the National Automobile Underwriters Assn. at Chicago, has been appointed branch secretary for the midwest territory to succeed E. L. Rickards, who retired recently after 32 years with the organization and its predecessors.

J. P. Japenga becomes assistant branch secretary to take over the post vacated by Mr. Fry. Messrs. Fry and Japenga have been with the Chicago office of the organization for many years. They have a wide acquaintance in company, producer and insurance department ranks and possess a thorough grasp of auto underwriting needs and conditions in the midwest.

Planet Sends Shephard to Chicago, Lutz to Detroit

Mel Shephard, who has been field representative in New England for Planet, has been transferred to Chicago where he will serve in the same capacity. He replaces Robert Lutz who has been sent to the home office.

Mr. Shephard joined the company in 1946, and a year later, was assigned to New England. Before joining Planet, he was with Pearl at Chicago and New York as a fire underwriter. He was also with the E. T. Hylant agency at Toledo, and is an air corps veteran.

Mr. Lutz joined Planet in 1946 at Chicago. He was formerly with Fred S. James & Co., L. B. Warner, Inc., and Springfield F. & M.

Havana Delegates Named

WASHINGTON—The U. S. Chamber of Commerce lists U. S. delegates to the Havana meeting of Hemispheric Insurance Conference permanent committee, Nov. 20-26, as follows:

John Byrne, Marine Underwriters Assn.; Horatio Bond, National Fire Protection Assn.; V. C. D'Unger, Lincoln National Life; Carl N. Jacobs, Hardware Mutual Casualty; W. A. Kerr, Liberty Mutual; Laurence F. Lee, Peninsular Life; V. I. G. Peterson, North America; Robert G. Bodet, Home; Joseph Stennett, National Assn. of Mutual Casualty Companies; Chase M. Smith and Felix Stungevicius, Lumbermen's Mutual Casualty; A. L. Kirkpatrick, U. S. Chamber insurance department manager and permanent committee secretary.

Public Hearings Unlikely

WASHINGTON—There will be no public hearings in the House investigation of wartime insurance activities of the maritime commission and war shipping administration, if the present opinion prevails of Rep. Bonner, chairman of the House merchant marine subcommittee named to look into the matter.

Mr. Bonner says it appears to him, after conferring with representatives of government agencies concerned and of his committee staff after his return from Europe, that there is sufficient evidence and material on hand as a result of past hearings and reports, to enable the subcommittee to prepare a report without holding hearings.

Indiana Chairmen Named

Committee appointments for the Indiana Blue Goose, are announced by Most Loyal Gander George R. Pritchett. In preparation for the Grand Nest meeting at French Lick next summer, an exceptionally large group of committees will be in operation.

Entertainment chairman is James I. Perkins; dues, J. W. Besterman; membership, B. H. Peterson; publicity, James R. Gregory, Rough Notes, and memorial, R. I. Dubois.

The fall dinner and initiation will be held at Indianapolis Nov. 21.

Whisky Losses from Ky. Distillery Still Arriving

LOUISVILLE—Losses are still coming in from owners of whisky stored at the Kentucky River Distillery near Richmond, Ky., where a 20,000 barrel warehouse, containing about 18,000 barrels of whisky, burned in late October. Much of the whisky was owned by the distillery's customers, and insured by these scattered owners in numerous states. Some of them did not know there had been a fire for some days after it occurred.

F. J. Quinn, Louisville manager of

Western Adjustment, which is handling the loss for numerous companies, is gradually getting a file together, but due to the scattered ownership, it is a slow process.

Protest Pa. Assessment

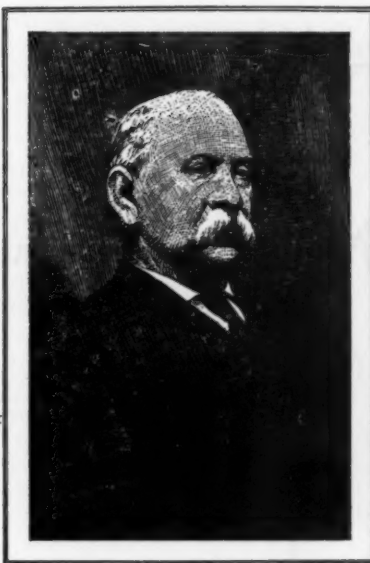
HARRISBURG—Five former policyholders of the defunct Urban Mutual Fire of Harrisburg, have protested a move by the Pennsylvania department to assess the full premium on all policies written within one year prior to the mutual's collapse.

The assessment has been brought up for court approval to make up a \$75,410

deficit. A hearing was set by the court for Nov. 21 on the proposed assessment.

The objectors charged that agents knew the company was "going on the rocks" when the policies were sold. There were some 6,800 policyholders at the time the mutual was thrown into liquidation by the department.

Mr. and Mrs. W. J. Reynolds, Jr. are being congratulated on the birth of a daughter, Dianne Mari. Mr. Reynolds is assistant manager for Corroon & Reynolds at San Francisco. This is the first grandchild for W. J. Reynolds, Sr., chairman of Corroon & Reynolds.



Grover Cleveland
in his inaugural address
March 4, 1893 said....



"The lessons of paternalism ought to be unlearned and the better lesson taught, that while the people should patriotically and cheerfully support their Government, its functions do not include the support of the people"

This Nation was founded upon the belief that the people should rule the government... not the government the people. From Lexington to Iwo Jima, Americans have fought for this principle... for the right of free speech... for the right to choose their occupation... for all the freedoms that enabled our forefathers to build this country. Today, more than ever before should we renew our faith in their creed of self-reliance and individual initiative.



Fireman's Fund Group

FIRE • AUTOMOBILE • MARINE • CASUALTY • SURETY • FIDELITY

Head Office: 401 California Street, San Francisco 20, California

Departmental Offices: New York • Chicago • Boston • Atlanta • Los Angeles

FIREMAN'S FUND INSURANCE COMPANY • HOME FIRE & MARINE INSURANCE COMPANY

FIREMAN'S FUND INDEMNITY COMPANY • WESTERN NATIONAL INSURANCE COMPANY • WESTERN NATIONAL INDEMNITY COMPANY

Plans Are Announced for Three Texas Regionals

A "stump the experts" question and answer session will be a feature at three regional meetings of Texas Assn. of Insurance Agents. Willis McVey, director, and Herman Begeman, assistant director of the automobile section of the casualty insurance department, Austin, will talk on automobile insurance at each meeting. Curtis N. Chapman, assistant manager of the forms department, will talk on fire and extended coverage insurance.

The Wichita Falls meeting will be held Nov. 15th with J. L. Randel of that city presiding. G. N. Dwyer, chairman of the rates and forms committee, and

Fire Commissioner Paul H. Brown will speak. Paul Potter, Borger, will preside at the Amarillo meeting Nov. 16 where Chairman George B. Butler will represent the commissioner. H. G. Denman, Lubbock, will preside at the meeting there Nov. 17 and Casualty Commissioner Joe P. Gibbs will speak. At each of the meetings a report on the hearing on hail on growing crops will be discussed.

Gives Tips on Okla. Law

At the request of Oklahoma City Claims Assn. Edgar Fenton of the law firm of Fenton, Fenton & Thompson, made a detailed study of the new financial responsibility statute that becomes effective Jan. 1 and addressed

the association on this subject.

Mr. Fenton repeated his address to Tulsa Assn. of Insurance Agents and is scheduled to deliver a paper on the legal aspects of the law to the insurance section of Oklahoma Bar Assn. Nov. 18.

TDB Regulations Issued

NEW YORK—The first regulations implementing the New York state temporary disability benefits law have been promulgated by the workmen's compensation board and filed with the secretary of state. They include the subjects discussed at the Albany hearings on the proposals in October and relate to basic definitions and rules with emphasis on the aspects of the law which become effective Jan. 1, 1950.

An advisory committee is taking further time to study the regulation of new and existing plans. Further proposed regulations are being prepared by the several committees working on the law with respect to provisions which become effective July 1, 1950. A hearing on those proposals will be held before they are adopted.

Phalon Assistant Manager

John E. Phalon has been named assistant manager of Improved Risk Mutual. David A. Christie was appointed chief underwriter and James J. Bergen and Russell Smallwood were appointed underwriting supervisors.

Mr. Phalon has been associated with I.R.M. 24 years and for the past five years has been chief underwriter. Mr. Christie joined I.R.M. in 1926 and for the past five years has been assistant chief underwriter. Mr. Bergen has been with the I.R.M. continuously since 1929 except for army service. Mr. Smallwood joined the I.R.M. in 1944 and was previously with Eagle Star and also with Merchants Fire of New York.

W. F. Franklin Slated Nov. 17

W. F. Franklin of Bankers Life & Casualty is speaking on "Current Trends in Policy Forms" at the dinner meeting of Home Office A. & H. Underwriters Round Table of Chicago Nov. 17. He will also discuss unusual requirements and rulings of state insurance departments.

NEWS BRIEFS

L. A. Orsini of Bureau of A. & H. Underwriters speaks before New Jersey A. & H. Assn. at a luncheon Nov. 17 on the New York disability benefits law.

Activities of the U. S. Chamber of Commerce, of which he is a director, were discussed by Carl N. Jacobs, president of Hardware Mutuals of Stevens, Point, at a meeting of the Wausau (Wis.) Chamber of Commerce.

Herschel Mowrey of Columbus, secretary of Ohio Hotels Assn., addressed the November meeting of Mutual Insurance Club of Columbus on "The Customer Is Always Right but Don't You Believe It."

Grover F. Miller, president Miller Brothers agency, Racine, Wis., past president of the Racine Board and Wisconsin Assn. of Insurance Agents, has been elected a director of Racine Assn. of Commerce.

James B. Drake & Sons agency at Bath, Me., has purchased D. M. Humphreys & Co., thereby merging two of the state's oldest agencies.

Paul W. Stone, manager at Springfield for Underwriters Adjusting, has been elected vice-president of University of Illinois Dads Assn.

The southwestern department of General Adjustment Bureau is holding a two-week course in inland marine and fire adjusting at Dallas.

Resigns as N. M. Manager

O. K. Johnson, Albuquerque, has resigned as manager of Business Men's Assurance in New Mexico.

Mr. Johnson joined B.M.A. in 1926 and has been regularly a member or director of the Grant Club, company honor group. He served as president in 1928.

He became manager at Albuquerque in 1944. Before that he was located at Columbus, O. He was chief promoter and first president of the New Mexico Assn. of A. & H. Underwriters.

Lewis Phila. Manager

William R. Lewis has been named fire manager of Home at Philadelphia. He has been assistant manager. He started with National Liberty.

N. Y. Directory Ready

The January, 1950 edition of the New York Insurance Telephone Tickler, published and distributed by the "Weekly Underwriter," has just come off the press and copies are now available. The directory is bound with spiral binding for the first time.

Start Cash Sickness Hearings

A series of 10 hearings to study cash-sickness compensation plans has been scheduled by Massachusetts recess committee which was appointed by Governor Dever.

New Cincinnati Equitable Head

Clifford R. Wright, formerly vice-president, has been elected president of Cincinnati Equitable Fire, succeeding Cecil H. Gamble, who continues on the board. Stanley M. Rowe becomes a vice-president. Mr. Wright becomes the 18th president of the company, which was organized in 1826.

NEWS BRIEFS

Hal D. VanGilder gave an address at the meeting of Denver Assn. of Insurance Agents in which he traced the history of the group from its organization in 1910.

The annual meeting of the Eastern Underwriters Assn. will be held Dec. 7, at the Biltmore hotel, New York City.

Iowa Blue Goose will hold its Christmas party at Des Moines Dec. 16.

Howard Fullington of the Dulaney, Johnston & Priest agency of Wichita was in New York City last week.

Charles A. Meyers is withdrawing from the Meyers & Rixey agency at Cincinnati. The agency will be operated in the future by Eppa Rixey, Jr., and his son, Eppa Rixey, III.

Mrs. Walter C. Arnold of Wapakoneta, O., will continue the agency which was operated by her husband. Harold F. Harrison has joined the agency as manager.

Robert C. Edwards is taking over the agency which was operated by his father, Roy S. Edwards, at Granville, O.

Vyant Gausche of the city fire department discussed fire prevention activities at the monthly dinner meeting of Insurance Women of Racine, Wis. A round table discussion followed.

Arthur Steinhauer, Wisconsin Fire Insurance Rating Bureau, Madison, spoke at a dinner meeting of Insurance Women of Madison.

THE OLDEST INSURANCE COMPANY IN THE WORLD



55 FIFTH AVE., NEW YORK

PROGRESS: "The action of advancing or improving by marked stages or degrees."—WEBSTER.

SCOTTISH UNION

AND

NATIONAL INSURANCE COMPANY

CELEBRATING ITS

125th ANNIVERSARY

... can point to a century and a quarter of continued progress in servicing the public with sound and reliable insurance protection.

FOUNDED as the Scottish Union Insurance Company November 20, 1824, in Edinburgh, Scotland, and amalgamated with the Scottish National Insurance Company in 1878 and operating in the United States since 1880, the Scottish Union and National Insurance Company recognizes the benefits and strength of the American Agency System.

FOR THE FUTURE — we pledge, to the insuring public and our more than 3,000 agents, continuous growth through sound coverages, intelligent underwriting and world-wide service.

JOHN NEWLANDS
General Attorney

G. S. TOMPKINS
United States Manager

United States Head Office: HARTFORD, CONN.

Special Fire Facilities Available —

We have available for brokers and agents a sound plan for handling surplus and excess fire lines nationwide. If you have a problem on capacity, a problem on a hazardous risk write us or call us today.

Here are the Features of American Excess —

- * No warranty policy required.
- * Coverages in sound, legal reserve companies.
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- * Complete nationwide binding authority.
- * Special forms and coverages handled.
- * Attractive Commissions.

AMERICAN EXCESS UNDERWRITERS CORP.

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Hemlock 4075

Wagoner in Eastern

Excelsior William C. V. eastern New Albany. He who was trans

Mr. Wagoner Cooperative Insurance 1946 has been insurance Rating

New Turk

ST. PAUL which special has purchased Pillsbury and it will move

Begin W

Plans for National Association have been by association organization. held at the 14-16. Kath general chair

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LOGANS Board of In A. E. Ryan, vice-president retary.

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To Hear

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Commission will hold a on the petition which is a Washington proposed co insurance.

At the fall dance in son, president a brief welcome Louis service monies. TH McCusker, Catherine F ment.

Walter C local agency and former connected v firm known Murphy of ever, will quarters with other princ Robert A. gressman; I National Ta Dixon, also Equality As

Wagoner Joins Excelsior in Eastern New York

Excelsior of Syracuse has appointed William C. Wagoner as special agent in eastern New York with headquarters at Albany. He succeeds Harry C. Jewell who was transferred to the home office.

Mr. Wagoner was with New York Cooperative Underwriters four years. He served in the armed forces and since 1946 has been with New York Fire Insurance Rating Organization at Albany.

New Turkey Insurer Home

ST. PAUL—Farm Owners Mutual, which specializes in turkey coverage, has purchased a four story building at Pillsbury and University avenues which it will move into early in December.

Begin Women's Meet Plans

Plans for the 1950 convention of the National Assn. of Insurance Women have been begun by the Massachusetts association which will be the hostess organization. The convention will be held at the Copley Plaza hotel June 14-16. Katherine O'Brien, Boston, is general chairman.

Cass County Group Elects

LOGANSPOUT, IND.—Cass County Board of Insurance Agents has elected A. E. Ryan, president; James J. White, vice-president, and Beryl Hinton, secretary.

New Company in N. C.

Twin States Insurance Co. of Charlotte, N. C., has been chartered as a stock fire and casualty insurer. Maximum authorized capital is \$200,000, with \$19,950 of stock subscribed by J. E. Burnside, Sr., J. E. Burnside, Jr., and Wilton Connor, all of Charlotte, and others.

Belanger to Denver

Security of New Haven has appointed Robert E. Belanger as special agent serving as assistant to State Agent Robert M. France in Colorado, Wyoming and New Mexico with headquarters in Denver.

To Hear Fire Chiefs

Fire Chief Cain and Fire Prevention Chief Ferrie will address a luncheon meeting of Insurance Board of Cleveland Nov. 16.

Wis. Merger Hearing Nov. 25

Commissioner Lange of Wisconsin will hold a hearing at Madison Nov. 25 on the petition of Great Northern Life, which is a Wisconsin corporation, and Washington National for approval of a proposed contract of merger and reinsurance.

At the National Surety employees' fall dance in New York Ellis H. Carson, president, greeted the guests with a brief welcome. Dal Stever of the St. Louis service office was master of ceremonies. There were songs by Marie McCusker, production department, and Catherine Fileccia, registration department.

Walter C. Ploeser of the St. Louis local agency of Ploeser, Watts & Co., and former congressman, has become connected with a new public relations firm known as Grant, Ploeser, Dixon & Murphy of Chicago. Mr. Ploeser, however, will continue to make his headquarters with the local agency. The other principals in the new firm are Robert A. Grant, former Indiana congressman; Ross Murphy, who was with National Tax Equality Assn., and Karl Dixon, also formerly of National Tax Equality Assn.

S. S. Pond Is Promoted

Sheldon S. Pond, superintendent of casualty at Detroit for American Surety, has been appointed assistant manager. He went with the organization in 1937 at Minneapolis, became a special agent in 1939 and was appointed superintendent of casualty in 1947. He is a graduate of University of North Dakota.

Field Representatives Named

John E. Borhek has been appointed field representative for Employers Li-

bility for Rhode Island with headquarters at Providence, and Chester A. Howell has been named field representative with headquarters at the Cape Cod service office at Sandwich, Mass.

Mr. Borhek has been with Employers since 1932 and later traveled in middle department territory. Mr. Howell has been with Employers since 1928 and since 1944 has been a special agent in New England.

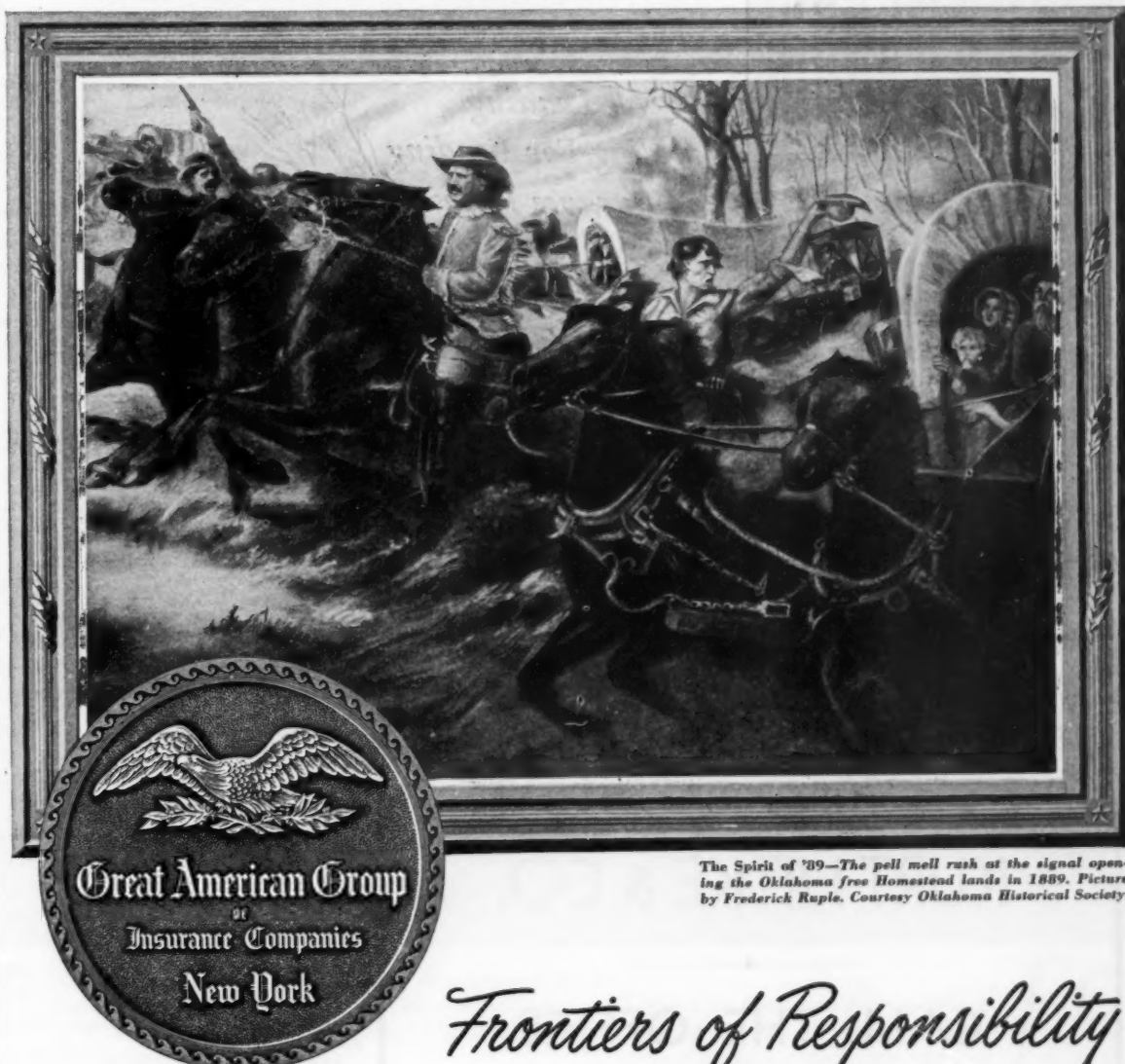
M. P. Ware, American Mutual Liability, conducted a panel discussion on

safety and employee relations at a meeting of the Milwaukee Society of Safety Engineers, with representatives of leading Milwaukee manufacturing concerns comprising the panel.

At the meeting of the Hampden-Hampshire group of Massachusetts Assn. of Insurance Women at Springfield the speaker was Walter C. Heffern, assistant supervisor of safety education for the registry of motor vehicles.

Andrew P. Sights has purchased the interest of Roy M. Taylor in the Starr & Thompson agency, Henderson, Ky.

An advertisement similar to this appears in SATURDAY EVENING POST, October 22, and in NEWSWEEK, October 24



The Spirit of '89—The pell mell rush at the signal opening the Oklahoma free Homestead lands in 1889. Picture by Frederick Rupke. Courtesy Oklahoma Historical Society.

Frontiers of Responsibility

The pioneering spirit has ever been America's characteristic. The pushing out into new lands and new fields of endeavor has resulted in a prosperity that is the marvel of the rest of the world. But these gains entail new responsibilities involving their conservation. Wise men depend upon a well

conceived insurance program for their protection. Safeguard your business and personal possessions from loss. Call in one of Great American's 16,000 local agents—or your own insurance broker—and learn how completely the Great American Group of Insurance Companies can protect you.

GREAT AMERICAN GROUP

of Insurance Companies

Great American

American Alliance

American National

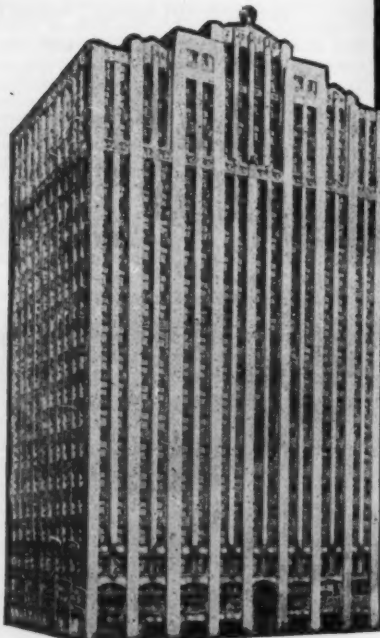
Great American Indemnity

Detroit Fire & Marine

Massachusetts Fire & Marine

Rochester American

WORLD-WIDE FACILITIES FOR PRACTICALLY ALL FORMS OF INSURANCE EXCEPT LIFE



JACKSON FRANKLIN BUILDING

JACKSON BOULEVARD
AT FRANKLIN STREET

*A Leading
Building For Leading
Insurance Firms*

Tenanted by leading Insurance, Financial and Industrial Firms, the Jackson-Franklin Building offers the ultimate in fine executive and general office accommodations, at substantial savings in rental.

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CALL THE OFFICE
NEAREST YOU
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WABash 2-3622

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LOS ANGELES 14, CALIF.
Phone Dunkirk 8-3161

Reisch Building
SPRINGFIELD, ILLINOIS
Phone Springfield 8-4305

Multiple Line Writing Powers Shown as of Nov. 1

Complete multiple line underwriting now is permitted by ruling or authorized by statute in 39 states, Alaska, District of Columbia, Hawaii and Puerto Rico. Below is presented a summary of multiple line underwriting laws and regulations in various states as of Nov. 1. A list was published in the April 7 issue of THE NATIONAL UNDERWRITER, as of the end of 1948; and in the issue of July 21, as of July 15.

The notations "auto," "vehicle," "aircraft," and "PPF" indicate that a company may write full cover automobile, etc., and that a casualty insurer may write the PPF without meeting the requirements for the exercise of complete underwriting powers. It should be noted that in some states the statute refers to "vehicle" instead of "automobile." Where the reference is to "vehicle" only, this may be a term inclusive of aircraft as well.

Of the nine states which do not authorize complete underwriting powers, four or five do not permit fire companies to write full cover automobile, although this authority is granted to casualty companies. An example is Ohio. Idaho is another. The present compilation was prepared on the casualty side so that the other states where full cover automobile is not a two-way street are not shown. In Kansas there is a peculiarity in the law which does not distinguish a mutual company as to fire or casualty. In Kansas, therefore, casualty companies and mutuals can write all lines under certain conditions but stock fire companies are limited and must stick to their own bailiwick.

Roll is Called

Alabama—complete multiple powers. Auto or vehicle and PPF.
Alaska—complete. Complete vehicle.
Arizona—full cover auto and aircraft and PPF.

Arkansas—full auto and aircraft. The department does not permit multiple line underwriting.

California—complete. Auto and aircraft and PPF.

Colorado—complete. PPF.
Connecticut—commissioner permits complete powers.

Delaware—complete.
District of Columbia—complete.

Florida—no provision. Complete multiple line underwriting permitted by department.

Georgia—no provision. Multiple lines permitted by department. PPF.

Hawaii—complete. Auto.

Idaho—full cover auto and PPF permitted casualty companies.

Illinois—complete.

Indiana—complete. Motor vehicle and PPF.

Iowa—complete. Auto and aircraft.

Kansas—complete for mutuals and casualty stock companies under certain conditions.

Kentucky—complete. Auto and aircraft and PPF.

Louisiana—complete. Auto and aircraft and PPF.

Maine—complete. Auto and aircraft and PPF.

Maryland—complete. Auto and aircraft and PPF.

Massachusetts—complete. Auto and aircraft and PPF.

Michigan—complete. Auto and aircraft and PPF.

Minnesota—complete. Auto and other vehicle, and PPF.

Mississippi—complete. PPF.

Missouri—complete.

Montana—complete. Full cover auto by attorney general's ruling.

Nebraska—full cover auto and PPF by casualty companies.

Nevada—full cover auto and aircraft and PPF.

New Hampshire—complete. Auto and aircraft.

New Jersey—complete.

New Mexico—department permits

complete multiple lines if insurer complies with cumulative requirements for fire and casualty carriers.

New York—complete. Auto and aircraft and PPF.

North Carolina—complete. Auto and aircraft and PPF.

North Dakota—complete. Auto and PPF.

Ohio—full cover auto by casualty insurers.

Oklahoma—complete.

Oregon—complete.

Pennsylvania—complete. PPF.

Puerto Rico—complete.

Rhode Island—department permits multiple line subject to reciprocity.

South Carolina—department permits complete multiple lines.

South Dakota—full cover auto and aircraft and PPF by casualty companies. Department does not permit complete multiple lines.

Tennessee—complete. Auto and aircraft and PPF subject to departmental conditions.

Texas—complete. PPF.

Utah—complete. Auto and aircraft and insurance on personal effects.

Vermont—complete. Motor vehicle and PPF.

Virginia—complete. PPF if company licenses are returned to department for amendment to include this power.

Washington—complete. Vehicle and aircraft and PPF.

West Virginia—multiple lines, subject to conditions established by department.

Wisconsin—complete. Auto and aircraft and PPF.

Wyoming—full cover auto and aircraft and PPF.

McGlaufflin Is President

Harry F. McGlaufflin, who has been secretary and treasurer of three mutual fire companies at Presque Isle, Me., since 1921, has been elected president of those companies which are: Aroostook Mutual Fire, Aroostook County Patrons Mutual Fire and Northern Maine Patrons Mutual Fire.

Texas Examiners Confer

At a meeting of examiners of the Texas department at Austin Chairman Butler talked on the character of the work required of the examiners. W. R. Clark spoke for the fire division, and Paul Benbrook, casualty actuary, presented casualty problems. Other speakers were Melvin E. Martindale, Paul Connor, director of the newly established credit insurance section; Will G. Knox, legal adviser; Floyd Herring, J. N. Nutt, Paul Hoffman and Robert B. Butler, who will set up schools for examiners at Dallas and Houston to secure more uniform examinations.

N. C. Fund Has First Loss

The new state school insurance fund of North Carolina is now preparing to pay its first fire loss. This is on account of a fire in the gymnasium of the Star school in Montgomery county, causing a loss of about \$6,159. The amount covered by the state fund is \$2,053.

John G. McCracken, director of the school insurance fund, reported to the state board of education that 45 of the state's 172 school units have now insured with the state.

Lovell Makes Change

Henry C. Lovell, well known independent adjuster of Cleveland, handling automobile, casualty, aviation and inland marine claims, has moved to larger quarters in the Williamson building, Cleveland. George F. Krumroy, for more than 25 years an independent adjuster at Cleveland specializing in inland marine work, has combined his office with that of Mr. Lovell.

NE

ROYAL "GUARD"

Elmer R. V. of the Royal elected president "Guards," vice-president, at the York. Membership 726.

W. G. E. vice-president vice-president secretary, and V. urer.

Honorary r ed to the ge and Liverpool Trustam, J. Sturgeon.

More than heard address visiting in the Conick, U. S. pool.

OLD GUARD

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Bassford I

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Accountin

Another un sponsored by being held at C. Morrill an New York d new accountin

NEW YORK

ROYAL "GUARDS" MEET

Elmer R. Voorhis, agency secretary of the Royal-Liverpool group, was elected president of the Royal-Liverpool "Guards," veteran employee organization, at the annual meeting at New York. Membership in the Guards totals 726.

W. G. E. Thompson was elected 1st vice-president; A. K. Carlin, Jr., 2nd vice-president; Miss Hedwig Finke, secretary, and Walter Wiesenthal, treasurer.

Honorary memberships were extended to the general managers of Royal and Liverpool & London & Globe, C. F. Trustam, J. W. Berry and R. W. Sturgeon.

More than 400 members attended and heard addresses by Mr. Trustam, now visiting in the United States, and H. C. Conick, U. S. manager for Royal-Liverpool.

OLD GUARD ANNUAL DINNER

The Old Guard membership in the home office territory of America Fore held its annual dinner and entertainment with 350 present, all with 25 years or more of service.

Speakers were Bernard M. Culver, chairman, and President Frank A. Christensen.

Countrywide and in Canada, Old Guard membership now totals 925, of whom 101 are on the retired list. Forty-six have over 50 years of service and of these, 26 are retired.

Dinner and entertainment arrangements were in charge of Assistant Secretary Henry A. Keck. Vice-president Charles L. Newmiller presided as master of ceremonies.

Seek No Milwaukee Survey

MILWAUKEE—No survey of Milwaukee should be sought from National Board until the three-year construction program of the city water department is completed, Asst. City Atty. Harry Slater has advised the council. Fire Chief Wischer sought the survey in hopes that the recommendation of a national firm of public administration consultants for abandonment of some fire stations would result in a change of rating for fire insurance rates. The city was last surveyed in 1935 and is in Class 2. Mr. Slater pointed out that a change might result because water pressure now is dangerously low in outlying areas, which the construction program now under way will remedy. The effect of changing fire stations would be speculative, he said.

Library Association Elects

Ralph G. Hinkley, president of Insurance Library Assn. of Boston since 1945, was reelected. Other officers reelected were: Walter C. Small, Field & Cowles, vice-president; Kenneth H. Erskine, manager Anglo-American Underwriters, treasurer, and Abbie G. Glover, secretary. The library served 14,476 callers during the past year.

Bassford Buys Agency

Controlling interest of Maryland General Insurance Agency, of Hagerstown, Md., has been obtained by Morris B. Bassford, president, through purchase of all stock formerly held by Francis H. Urner, former agency president. Other officers of the agency are: Arthur F. Detrow, vice-president, and Ethel W. Miller, secretary.

Mr. Bassford was formerly fire survey engineer and special agent for Travelers Fire for many years.

Accounting Session in Iowa

Another uniform accounting meeting, sponsored by the Iowa department, is being held at Des Moines with Thomas C. Morrill and James J. Higgins of the New York department explaining the new accounting regulations.

Two Minn. Associations Hold Annual Meetings

MINNEAPOLIS — Two regional associations in southern Minnesota held their annual meetings.

The Southeastern Minnesota Insurance Agents Regional Assn. held its meeting at Rochester, electing the following officers: President, Donald Russell, D. H. Holt Co.; vice-president, William Hirman, Hirman Agency; secretary-treasurer, William Clark, Hirman Agency, all of Rochester. G. W. Blom-

gren, executive secretary of the Minnesota association, gave a talk on "Your Trade-Mark—Does It Mean Anything to You?" Francis McGovern of Rochester led an informal discussion on manual and form changes and a report was given on the question of term rule and installment premium payment plan issues.

The Southwestern association met at Worthington. Officers elected were: President, Ray L. Haeckel, Fairmont National Agency, Fairmont; Alfred E. Precht, vice-president, Beaver Creek

State Bank, Beaver Creek; secretary-treasurer, Lee Eickhoff, Adrian State Bank, Adrian. E. D. Swanberg of Worthington led off with questions and answers on fire, inland marine and casualty insurance. Mr. Blomgren gave the same talk as at Rochester.

Range Assn. to Hear Valine

T. A. Valine, state agent of Phoenix, will speak on "Service Beyond the Contract" at a dinner meeting of Range Assn. of Insurance Underwriters at Hibbing, Minn.



HERE'S a progressive local agent working on a prospect list for Inland Marine Insurance. He has a sales plan that works, and the key to it is the Security's new "Inland Marine Sales Guide" pictured at right.

The "Sales Guide" has a fund of practical suggestions for making more money through Inland Marine Insurance. It tells what types of people and firms have property that should be protected through Inland Marine Insurance, and which forms apply in each case.

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KNOXVILLE TENNESSEE



Wins Right to Try to Prove Intentional Act of Insured Is Not Covered

Farm Bureau Mutual Automobile, under a decision of the U. S. fourth circuit court of appeals, wins an opportunity to defend itself against liability arising out of an accident which the insurer claims was caused, not by the negligence but by the deliberate action of its assured. The lower court, at Richmond, Va., in a declaratory judgment action brought by the insurer, gave summary judgment for those killed and injured in the accident and who had recovered a total of \$43,000 in judgments against the assured.

Marvin L. Wagner was the assured. On April 19, 1947 in Highland county Wagner's truck struck a car, killing three and causing injuries to two. Evidence was offered by Farm Bureau that Wagner was subsequently convicted of second degree murder and sentenced to 10 years imprisonment for maliciously causing the deaths and intentionally driving the truck into the other car. The majority opinion of the higher court was that the insurer is entitled to its day in court to show, if it can, that its policy did not cover the injurious acts which its insured committed.

Chief Judge Parker, in a dissenting opinion, said to permit the insurer now to deny liability on the ground that the injury was not negligent but intentional, is to permit it to litigate again a matter covered by the judgment against the insured, without averring or even suggesting fraud or collusion in its procurement. That, he said, seems to be clearly contrary to well settled law.

Washington State Rates

There are reports that National Bureau of Casualty Underwriters is in the process of filing new automobile B.I. and P.D. rates in the state of Washington. It is said that the filing contemplates lowering the rate for property damage by \$2 per car. This will establish a parity with the independent companies on all classes, except the under-25 years of age drivers.

With respect to the young drivers, it is believed that the bureau will eliminate the present A-3 classification and substitute a new class to be known as A B-3. This would be based upon B rates plus 15%. This would make the bureau company rates for the under-25 drivers higher than the rates of the independents.

Ariz. Setup Expanded

George E. Reed of Phoenix has been appointed state agent in charge of fire, casualty and marine operations in Arizona for Fireman's Fund. Phillips Isham continues to handle indemnity and automobile lines for the entire state with additional responsibilities in the production of other lines.

A new service office has been established at Tucson under the general supervision of Mr. Reed and with Harvey Kinney, special agent transferred from Los Angeles, covering the southern Arizona field.

The claim section at Tucson will be managed by Ted Worthington who has also been transferred from Los Angeles.

Wineries' Rates Cut

Reductions in fire insurance rates for wineries, estimated to "save" members of the industry more than \$500,000 a year in premiums, is announced by California Wine Institute which has been in conference with Pacific Fire Rating Bureau. The reductions estimated to be on an average of 30%, are retroactive to Jan. 1.

A committee of insurance brokers served as advisers to the industry, the members being Arthur H. Kindler, H. R. Cantlen and E. J. Torney. They collected the data from each side of the problem and suggested the changes made.

Equitable Society Issues Brochure on N. Y. TDB Law

Equitable Society has published a brochure explaining in detail the employer's obligations under the New York disability benefits law. New York state employers will be obliged to provide benefits beginning July 1, 1950. The brochure shows how the employer can provide the benefits by buying them from an insurance company in an amount as great or greater than those required by law; from the state fund, but only for the minimum benefits; or through self insurance, in which case the employer must furnish proof of financial ability to pay the benefits, either by posting a bond or by depositing securities with the state.

Equitable points out that though the law does not become fully effective until July 1, 1950, the period for determining employer status as a "covered" employer starts July 1, 1949, while on Jan. 1, 1950, the temporary six months' assessment begins in order to accumulate funds out of which to pay benefits.

Hohaus Ohio Witness

At its request, Reinhard A. Hohaus, actuary for Metropolitan Life, appeared before the newly activated Ohio disability unemployment insurance commission at an informal meeting. Rep. Mark McElroy, chairman of the commission, stated that other persons would be consulted from time to time to supply factual information and that early in 1950 the commission will hold a series of public hearings. Executive secretary of the commission is Daniel E. Mathias of Columbus.

R. S. Garvie Now President

R. S. Garvie of Aetna Fire was elected president of U. S. Fire Companies Conference at the convention at New York. P. D. Bush of American is vice-president. R. G. Malone, secretary and manager, said the members are concerned over the difficulty in bringing about revision of the clauses and rates for riot and civil commotion cover. He alluded to the nationalistic laws of the countries in which the member companies operate and the excessive taxation that is encountered.

J. H. Thomas Is Promoted

James H. Thomas has been promoted to superintendent of agents for Aetna Casualty at New Orleans. He started with Aetna Casualty at Little Rock, prior to the war. On his discharge from the army, he was assigned to New Orleans as a special agent and was made agency supervisor in 1947.

Extend Auto Rule Changes

National Bureau of Casualty Underwriters has issued changes in the driver-other-car and employers auto non-ownership liability rules in Louisiana, New Hampshire, New York, North Carolina and Virginia. These follow substantially the rating simplification previously promulgated for the remainder of the country. In these five states the Mutual Casualty Rating Bureau and the National Bureau act jointly.

Oakland Assn. of Insurance Agents is sponsoring a public meeting in the chambers of the Oakland city council for the benefit of motorists and others interested in California's new financial responsibility law, Nov. 17.

James C. Hitt, coast manager of London Assurance, has returned from a two months trip to the head offices of the company, Scotland, France and parts of Germany. He brought back the official London Assurance flag which flies over every branch of the company and which is registered with Royal College of Arms. He plans to hang it in his office.

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Calls Mich. Cover on Ferries Legally Unjustified

LANSING—The Michigan attorney general has advised the controller of the department of administration that certain liability and indemnity coverages carried by the state highway department on the state-owned ferries operating across the Straits of Mackinac are without "legal justification."

The letter is signed by Stephen J. Roth, attorney general.

The state, he said is fully and adequately protected in its operation of the ferries by reason of its sovereign immunity from liability. Apparently the insurers are aware of this, otherwise there would be no reason for the inclusion of the following language: that the state shall not be required to plead or raise its sovereign immunity from claim or liability or suit in defense or bar to such claim or liability or suit but may at its option waive its sovereign immunity from claim or liability and consent to be sued without prejudice to its rights under this insurance, it is further stated that only the legislature can impose a new liability on the state and waiver of sovereign immunity is impossible.

Commissioner Ziegler of the highway department however, defended the policies, written through Osborn & Lange of Chicago. He said the coverages provided are only those against hazards which the governmental immunity defense does not meet. These include, he said: "wash damage caused by propeller or boat operation; certain types of fairs such as those assessed for infractions by personnel of coast guard marine regulations; illness of employees; loss of life or personal injuries of persons aboard another vessel, caused by ferry operation removal of wrecks; cargo damage, and casualties to persons or damage to docks or other fixed installation.

Pepich Directs Chorus

Stephen T. Pepich, president of Anchor agency, Chicago, is directing the voice ensemble of the "Black Hills Passion Play," now playing at the Civic Opera House. Sponsored by the Kiwanis Clubs, the play is given for underprivileged children, and has more than 200 members in the cast.

Mr. Pepich was chosen because of his active participation in music affairs. He has gained wide recognition for his work as director of the Aeolian Choral Assn.

Tenney Red Cross Chairman

H. Martin Tenney, Connecticut Mutual's vice-president in charge of mortgage loans, has been reelected chairman of the Hartford chapter of American Red Cross. Ralph Love, local agent, is vice-chairman; F. T. Fenn, secretary of the two Hartfords, treasurer; and Howard W. Beardsley of Allen, Russell & Allen agency, assistant treasurer.

Pittsburgh Installment Foe

Pittsburgh Assn. of Insurance Agents has endorsed in its entirety the statement of National Assn. of Insurance Agents opposing the installment payment of the term premium idea. Copies of the Pittsburgh resolution are to be sent to Commissioner Malone of Pennsylvania, Fred W. Doremus, manager of Eastern Underwriters Assn., and to the governing committee of Middle Department Assn. of Fire Underwriters.

W. L. Holm to Minnesota

Crum & Forster has assigned William L. Holm to the Minneapolis office to travel Minnesota as an assistant to State Agent R. R. Hayes. He attended University of Minnesota. After three years in the marine corps, he went with Crum & Forster at Minneapolis, after which he was transferred to Freeport, where he has just completed a training course in various departments.

Windsor Agents Elect

Thomas Bardsley has been elected president of Windsor (Ont.) Fire & Casualty Insurance Agents Assn. Vice-president is Lorne R. DeWolfe, and secretary, F. R. Dupont.

Schramek Has Own Setup

Frank Schramek has formed his own local agency in the Tower building at Baltimore. For the past five years he has been vice-president, secretary and

part owner of the Kroh & Miller Agency there. He was resident manager of the Maryland department of New Amsterdam Casualty for several years and for a short time was Baltimore manager of Zurich. He is a past president of Binder Club of Baltimore.

Plan Ohio Inspections

Fire Prevention Assn. of Ohio has arranged to conduct town inspections at Loveland, Milford (schools), New Richmond, Batavia, Bethel and Williamsburg Nov. 29-30 in cooperation with

Clermont County Insurance Agents Assn., Kiwanis and Rotary Clubs. There will be a dinner at Loveland on the evening of Nov. 29 and the next day a joint meeting at New Richmond. Foss Gragg, public relations and program director Ohio fire safety committee, will speak at both meetings.

Mark A. Wells of Los Angeles, publisher of the "Insurance Journal" and past most loyal gander of California Blue Goose, has been named deputy most loyal grand gander for California and Arizona.

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ADT

Record Independent Group Gathering

(CONTINUED FROM PAGE 1)

to by all hands advocating putting claim expense of all kinds into the loss figures in those states where the authorities desire to reduce the experience of all companies to a common level. One of the speakers at the independents meeting was Thomas Morrill, deputy superintendent of New York, who apparently had not been apprised of this agreement because in his talk he said that all the business had been able to do was to agree to disagree. It seems that New York had just sent out a letter to some of the bureaus saying that there must be a complete separation of loss expense from the pure losses. However, it is reported that the New York department has postponed this ukase until after the Galveston meeting of the insurance commissioners.

Pruitt Treats the Issue

Dudley M. Pruitt, actuary of General Accident, in addressing the Chicago meeting, gave a talk on this matter of treatment of loss expense. He said that the concern of the commissioner seems to be centered principally on the problem of how figures coming from various agencies could be merged for rate review purposes when some included more expense than others. The spokesman for the business restated the need for and wisdom of maintaining flexibility, but were challenged to demonstrate some procedure whereby the figures could be merged satisfactorily if flexibility were permitted.

Mr. Pruitt said that he endorsed the proposal that was advanced by Mr. Lemmon at the Seattle convention of N.A.I.I. to the effect that the various statistical agencies continue with their own and varying definitions of allocated claim expense, and compile their own experience, using losses and such claim expense as is allocated by their definitions. It was suggested that the most feasible common level is that of losses and all loss adjustment expenses, whether allocated or not. To bring the results to this common level, loading factors can be developed which will treat the loss adjustment expense that has not been allocated as an overhead on the losses and allocated expense reported. Separate factors can be developed and applied for each agency. He predicted that this Lemmon proposal will be presented as coming from the industry committee as a whole at the Galveston convention.

The association adopted the recommendation of its assigned risk committee that the model assigned risk plan be revised with a view of avoiding public dissatisfaction in the splitting of assigned fleets.

The association adopted the recommendation of its assigned risk committee that the model assigned risk plan be revised with a view of avoiding public dissatisfaction in the splitting of assigned fleets.

The following paragraph would be substituted in lieu of the present section 6 (d).

"It is recognized that it is undesirable to assign units of an individual risk to more than one carrier. No risk of less than five motor vehicles shall be assigned to more than one carrier. In the assignment of risks of five or more motor vehicles, other than public automobiles, due consideration shall be given to the ability of the respective subscribers to serve such risks. A risk of five or more motor vehicles shall be assigned to more than one subscriber only in the event that it is inequitable to assign it to one subscriber by reason of the unusual hazard or accident record of such risk, and in such event a subscriber shall not be required to accept an assignment of more than four units of such risk."

Frank Bartsch Is Greeter

John Carton opened the proceedings. A welcoming talk was given by Frank Bartsch, chief deputy of the Illinois department, substituting for Insurance Director Hershey. A. R. Nelson of Hawkeye Casualty, N. A. I. I. vice-president, responded.

Mr. Carton, in his presidential address, declared that the N. A. I. I. members are "ex-orphans." Before the day of the organization they had no contact with one another and felt it would be inconsistent to camp together. They were brought together by the common peril of federal regulation and by the alternative menace of hyper-regimentation by the states. It turns out, he said, that enactment of rating laws was only the beginning of the problem that N.A.I.I. was organized to tackle. These laws marked the beginning of an era of ever-increasing demands for closer supervision. The organization has to be on guard against "dangerous" amendments and interpretation of the laws. If necessary, N.A.I.I. must be prepared to take into court interpretations that do violence to the principles for which the organization stands. In one state, he remarked, the commissioner started moving in the direction of setting up a mandated rate system that would be absolute for all insurers. He voiced the hope that this was simply an isolated case of lust for power but he said it is an example of the danger that lurks in these laws.

Insist on Widest Latitude

N.A.I.I. will insist that rate regulation give the widest latitude to individual companies. In the development of regulation a long period of trial and error is predictable. N.A.I.I. should carry great weight with the commissioners because it represents a highly diversified group. It has no torch to carry for any

one type of insurer or any single means of doing business.

Much attention must be given to the assigned risk problem, Mr. Carton declared. There is an increasing volume of public complaint, particularly in respect of the surcharges that are assessed against assigned risks, and Mr. Carton charged that some of these levies are "exorbitant." He said the idea of statewide pools to handle the problem is worthy of consideration.

State fund proposals need to be attacked. They threaten the very existence of numerous N.A.I.I. members, he pointed out. Compulsory auto insurance measures are another dangerous threat.

Mr. Carton said N.A.I.I. needs more money and manpower. He recommended the creation of a public relations department, one of whose assignments would be to seek additional membership. So that the members might be kept more intimately acquainted with organization activities he recommended doubling the directorate and holding quarterly meetings of the board. Then he suggested that there be created an executive committee of five, consisting of men located in the Chicago vicinity.

Vestal Lemmon Reports

Vestal Lemmon gave a comprehensive report as manager. About 50 new members have been added during the year, the membership being 137 companies and the number of subscribers 14. The primary purpose of N.A.I.I. is "to preserve reasonable competition as to rates, coverages and classifications of risks." Constant vigilance must be exercised over the rating laws to see that "nothing is done to fence us in" and to see that desirable and timely amendments are offered.

The N.A.I.I. auto statistical plan is either approved or companies may code by it in all states with statistical requirements except New York, New Jersey, Virginia, North Carolina, and Massachusetts. The plan is to be considered by the North Carolina rating bureau Nov. 9 and it is hoped that favorable action will be received in all states by Jan. 1 so the companies will be able to begin using it.

Mr. Lemmon referred to the efforts of the various departments to bring about a pattern of procedure for companies and rating organizations to be guided by in submitting rates, rules, and rating plans to the states. N.A.I.I. was invited to offer suggestions at a number of conferences that have been held on this subject, and has insisted that no rule or regulation go beyond the scope of the rating law.

Where the financial responsibility laws are not clear, N.A.I.I. has tried to persuade the authorities to set up rules

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..and FIRE PREVENTION

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Royal-Liverpool Guards Dinner



C. F. Trustam, general manager of Royal and of Liverpool & London & Globe, addresses guests at the annual dinner of Royal-Liverpool Guards. Seated left to right are: H. C. Conick, U. S. manager; J. H. Meyer, loss superintendent; C. F. Heney, state agent; and Elmer H. Voorhis, agency secretary and new president of Guards.

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that would make for smooth operation from state to state. Most notable among departures from the model pattern is the administrative provisions of the new Tennessee law. For instance, there was no specific provision to take care of a non-resident insured by a non-admitted company. Through the cooperation of Tennessee authorities such companies are permitted in the usual manner to take care of their assured while traveling through Tennessee.

Oppose High Requirements

In connection with multiple line legislation, N.A.I.I.'s chief effort has been directed against financial requirements that would be prejudicial to smaller and medium sized companies.

Mr. Lemmon scanned the past legislative season touching on such matters as state fund proposals, unsatisfied judgment fund schemes, which he declared become the forerunner of compulsory insurance and state fund, the life insurance investigation hubbub.

He reviewed the federal trade commission activity in the mail order insurance and auto finance fields and said this activity raises the question of whether there may be an extension of the conference method and resultant regulation to the remainder of the insurance world. There are reports, he said, that there may be delay in FTC's action on mail order insurance in view of the anticipated survey of insurance laws by Rep. Celler in connection with his subcommittee's anti-trust law study.

Premium writings of N.A.I.I. members in 1948 amounted to \$563 million.

David A. Forbes of Michigan, president of National Assn. of Insurance Commissioners, gave a well received address.

Multiple Line Advocate

Walter L. Hays of Orlando, Fla., president of American Fire & Casualty, who was a pioneer in multiple line operations, gave an address in which he predicted that the day will come when the multiple line program will be universal. He denounced those who insist on very high financial requirements to engage in omnibus underwriting. Actually, he contended, the requirements should be lower because there is safety in spread. With multiple line operation, he said, there will be fewer policies, less overlapping and less danger of gaps in cover.

The regulation that the business has drifted into is the greatest obstacle to progress, he asserted. He said he is a firm believer in the installment payment of the term premium, and he complained of the difficulties being placed in the path of such plans by the states. He said one state is requiring all companies to use a single plan. Any variations are outlawed. Another state, presumably Louisiana, has thrown out all plans. A third, presumably Florida, is submitting the whole problem to the courts.

Luncheon speaker was U. S. Senator Paul Douglas of Illinois, who made a profound impression on the group in the presentation of his case for bringing governmental expenditures and receipts closer together. Not only was this group pleased to hear this message but they were heartened by the fact that Douglas is preaching the doctrine day in and day out and has marshaled his facts and recommendations so clearly and convincingly that he is bound to win support of public opinion. He believes that \$600 million can be saved by reducing the overstuffed condition of government offices, simply by not filling half of the vacancies that occur by death, retirement and resignation. Another \$300 million can be saved by reducing vacations of federal payrollers to a month instead of 5 1/5 weeks and sick leave to two weeks instead of three. Some \$300 million can be lopped from the rivers and harbors bill by eliminating worthless projects that are dreamed up by local chambers of commerce. Another \$100 million can be chopped from the interior bill. The post office department can save \$100 million by improved efficiency and many hundreds of millions can be saved by removing the subsidies

which he charged are enjoyed in second and third class and parcel post rates by newspapers, magazines, mail order houses and direct mail advertisers.

Douglas estimates that \$60 billion is the current annual expenditures for governmental purposes, national, state and local, and this comprises 28 per cent of the national income. The tax take is near the limit, he declared. Douglas said that what is needed above all is for everyone to put the national interest ahead of group interest. Unless this comes about, he predicted dire things for the nation.

First afternoon speaker was Thomas A. White, assistant counsel of Employers Liability, who gave a devastating analysis of the compulsory auto liability insurance laws of Massachusetts.

Henry S. Moser, general counsel of Allstate, in his address, told, from first hand investigation, of the operations of the Saskatchewan government insurance scheme, and warned that this is a straw in the wind and is evidence of what can happen in this country unless the utmost vigilance is exercised and every effort is made to put down sources of complaint in the conduct of the automobile insurance business here.

Thomas Morrill, New York deputy superintendent, delivered a paper "The

Limitations of Figures." He announced that the New York department is conducting a session on uniform accounting at Des Moines Nov. 10 and at Minneapolis Nov. 25.

Robot Stage Not Here

An exponent of good figures, he said, doesn't believe that insurance has reached the robot stage where all problems can be solved and all decisions made by reference to statistical tables. Insurance accounting has not yet reached the point where absolute credence can be given to aggregate data, nor are all desirable statistics reasonably obtainable under present accounting procedures.

Management is faced with many problems which must be solved primarily by the application of judgment and wisdom born of experience. Often when statistics are available, management must be wary of a spurious credibility, and must make certain that the data in fact mean what they seem to mean and are worthy of confidence. Management needs figures, but figures also need management.

As an illustration, the growth of graduated expense plans, particularly in workmen's compensation, developed from the common sense realization of buyers,

producers and company executives that a 40% expense loading was unreasonably high on very large single premiums. Over the years, the large risks tended to flow into those companies which were able to give direct recognition to their relatively lower costs. Insurers operating on straight bureau rates acted to counter this trend by adopting premium rates which reflect graduated provisions for expense.

No Conclusive Figures

There were no conclusive figures available to support these provisions when first adopted. The graduations were developed in part by judgment, in part by bargaining, and in part by a response to the realities of competition.

A program is under way to get better figures on costs-by-size of risk. It involves studies in the offices of a selected group of companies. The only reasonable way to get the facts in this field accurately is by the special study method. Any attempt to obtain the data by a general call upon all companies would be futile.

Too often data have been gathered by general calls which either demanded figures that could not be reasonably obtained or that left the manner of com-

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pilation to the imagination of the accountant. The most insidious aspect of such calls is the fact that they resulted in figures of "spurious credibility." They seemed to mean much when actually they were composed of the conglomerate judgments, individually applied, of accountants.

Reasons for Limitation

This is why the uniform accounting program limits itself to the splitting of expenses, first, among members of a fleet, second, among five significant expense groups, and third, by major line of business. Carefully drawn instructions guide the accountant in making these basic allocations. The program was stopped at the point where it was believed the maximum had been reached that could be accomplished generally by the industry's accounting systems in their present state of development. The figures will be limited but they will be entitled to credence.

Efforts of some segments of the industry have been resisted to make mandatory allocations to sub-functions of inspection and payroll audit a part of the uniform accounting instructions. To set up "splinter" expense groups would impose an impossible requirement on most companies. The figures would be composed in large proportions of judgment, yet to obtain them, hundreds of companies would be subjected to the making of meticulous distinctions as to where inspection ends and underwriting begins, where payroll audit ends and collection begins, and as to the allocation of time and salaries of employees and departmental units which serve more than one such sub-function.

Knowledge as to actual expenses does not demonstrate what expenses are necessary. Management may by experimentation, judgment or observation of the methods of others arrive at more economical ways of transacting business, or may find that it will be advantageous to increase expenditures for safety engineering, advertising, salaries, pensions or other expenses above those that are average for the business. The initiative of management thus goes beyond the figures, and thrusts out into new fields.

Competitive Advantages

Independent companies understand the possibilities that exist in this direction. Many independents owe their position to competitive advantages produced by economies resulting from unusual plans of operation or methods of ac-

quiring business. They have not hesitated to experiment in these fields, as well as in others. As an illustration, consider the experimentation by independents in the boundaries of territories and classifications.

The flexibility of rating procedures of independents often enables them to lead the way to improvement in classifications and territories. When the rates for a particular territory or class become excessive as to some part of the risks in the group—even though they may be reasonable for the group as a whole—independents are likely to seize on the opportunity to offer lower rates to the better risks. Since inroads of this kind leave the less desirable risks for insurers operating on a standard basis, pressure is created to revise the boundaries of the territory or class to a more realistic basis.

Example in Auto Field

An example of this process is going on now in the automobile liability field. Almost all carriers recognize the adverse experience developed by younger drivers. While there are statistics which clearly demonstrate that something had to be done rate-wise if these risks were to be insured, the figures are not conclusive as to just where the lines should be drawn or what the differentials should be. One group of carriers has fixed age 25 as the top limit of the younger driver class, and has added a uniform differential to the rates for all such drivers. An independent has devised a three-step plan for drivers up to 20 years of age, 21 and 22, and 23 to 24, with a differential that decreases progressively as the age of driver increases and incorporates a mileage test. Some observers hold that experience on the younger teen-agers is at least as good as that for all drivers, and that differentials should not be applied until about age 19, with the heaviest weight placed on the ages around 20. However, the data available are not conclusive in this respect. New York has approved both the bureau plan and the independent plan, on the theory that the broader bureau approach is reasonably supported by the facts that we have, and that the independent filing will serve a useful purpose in stimulating competition in the area affected. Furthermore, the independent plan will have the collateral advantage of developing statistics by age group which will serve to test the reasonableness of both plans.

There are many other unsolved problems on which it would be helpful to have better statistical information than is now obtainable. He said for instance no wholly acceptable method has been devised for obtaining expense data separately for each sub-line of insurance.

Size of Risk Problem

The broad question of expenses by size of risk has not yet been faced squarely except in compensation and liability. Minimum premiums and expense constants are a part of this problem, as well as the jumbo risk aspect.

The use of average figures should always be accompanied by consideration of the plight of the insurers with expenses much greater or much less than the average. The marginal companies, with expenses running higher than those of their competitors, operating on average rates will either resign themselves to losing money or will put their house in order. However, an unsolved problem is whether rate making organizations ought not to exclude such above-average expenditures from consideration. On the other side are the companies of superior efficiency, whose existence raises questions as to the reasonableness of average rates, the extent to which past expense ratios should be credited in connection with rate deviations and collateral problems.

No single method of computing current underwriting profits has ever been generally agreed upon. Management ought to have a standard, fool-proof, positive method of determining current operating profits.

On the allocated vs. unallocated claim expense controversy, he said the industry seems to have been able to agree only to permit everyone to disagree. When loss figures furnished under statistical plans contain an unspecified amount of allocated claim expense, while the countrywide expense figures provide no clue as to what part of loss adjustment expense has been treated as allocated claim expense in the particular loss data under consideration, it is a practical impossibility to employ either the loss or loss expense figures without serious qualifications as to their accuracy. This problem begins to take on the aspect of one which must be solved by administrative determination, since it apparently cannot be solved by voluntary action within the industry. The solution of such figure problems, he declared, will equip management with the means for making its decisions with far greater knowledge and far greater confidence than ever before.

Captive Talent at Banquet

The banquet was a great success thanks largely to the contribution of captive talent. Henry S. Moser, general counsel of Allstate and first NAII president, was brought forward by Toastmaster Carton to tell one of his famed Rabinowitz stories and Mr.

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Moser performed in hilariously satisfying fashion. Then I. S. (Assigned Peak Plan) Markel of American Fidelity & Casualty kept the crowd in stitches with a rapid fire story telling performance. He has now become a banquet program "must" for NAIL. Among those at the head table were Commissioners Forbes of Michigan and Lange of Wisconsin.

The next morning lead off man was Edward D. Brown, Chicago consulting actuary, who gave a paper on pensions or profit sharing arrangements for insurance company employees.

The fire and casualty companies, he said, have shown a growing interest in setting up employee benefit plans. Most of these have been established on the joint contributory basis although often the profit sharing plan may be found more desirable.

Mutual Company Problem

He said he has doubt as to the propriety or legality of a mutual company establishing a profit sharing plan, although this is a matter for legal interpretation.

At least one large auto insurance company has set up a joint contributory plan not only for salaried employees, but also for its agency force. This retirement plan has been one of the strongest factors in attracting and retaining good agents.

In view of the passage of HR 6000 extending social security by the house and the continuing pressure by the administration and the social security administration for further extension and expansion of the social security program, any plan contemplated should provide for adjustment of the contributions required to compensate for any increase in social security taxes, he declared.

Establishment of retirement plans for insurance company employees is good, sound business, he contended. "You are enabled to retire superannuated employees who are no longer capable or efficient without embarrassment. Protection against the hazards of old age makes for more satisfied and efficient employees."

Affiliations Proposed

Albert L. Plummer, general attorney of Bruce Dodson & Co., discussed the proposal for NAIL to become affiliated with combined claims committee of Assn. of Casualty & Surety Companies and National Assn. of Mutual Casualty Companies of which Wayne Merrick of ACSC is general chairman. Under the aegis of this committee there have been set up claim managers councils in 47 cities. The committee meets four times a year.

The main projects of the local councils is the auto P.D. appraisers plan and the agreement for arbitration. The appraiser plan was originated in Pittsburgh and is now operated in 20 cities. At Pittsburgh for the first five months of this year 23 companies had 198 autos appraised by the central agency. The total of the lowest estimates on these cars prior to appraisal was \$75,000, while the appraisal was \$61,000, a savings of 18.1%. At Chicago the low estimates on 2,506 autos was \$638,000 and the appraised total \$536,000, saving 15.8%. In the Twin Cities the saving percentage has been 11.5%.

The arbitration agreement was installed in 1944. The matters are handled by local committees of three. Disputed claims of \$1,000 or less between signatory companies on auto collision and compensation are submitted to arbitration. There are now 116 signatory companies.

Mr. Merrick supplemented this presentation. He said the aim of the combined claims committee is to enhance the prestige of insurance by improving the claims handling procedure. Improvement of the caliber of adjusters is sought, with educational work being conducted for the younger men. In the P.D. appraiser program the savings

range from 15 to 35%. The excess in the original estimates, he said, comes from watering of the bill by garages to all the traffic will bear, from collusion between assured and garage in covering the deductible and from the fact that staff adjusters are "on the take." Some adjusters receive a percentage from garages, or gratuities, free service on their own cars or Christmas whisky. Many garagemen desire to have the latter situation corrected.

Dudley M. Pruitt, actuary of General Accident, gave a report on treatment of loss experience, dealing with the highly involved question of allocated and unallocated loss experience.

Policy on P.D. Claims

C. L. Morris, general manager of Illinois National Casualty, discussed policy of adjustment and settlement of third party auto P.D. claims. Companies are at least partially at fault in the public dissatisfaction and confusion surrounding this matter and it is up to them to take remedial steps, he said. The moral obligation to pursue fair claim practices must be recognized. Some companies are accused of making complete denial of liability based on only fragmentary facts. Too few companies, he said, realize the possible dangerous repercussions of such procedure. Trouble often arises from feuds between insurers or between companies and agents particularly where the latter has a contingent contract. He said companies are prone to try to use policyholders and claimants as collection agencies against the other parties to an accident.

One proposal is that special courts be set up to handle P.D. claims. The outcome of the cases might be little different but claimants would receive an education in the field of negligence. Such a court might be confined to hearing cases in connection with which complaints have been entered with the insurance department. Any plan that offers promise of removing apparent public dissatisfaction needs to be given consideration. Attention should be given to informing the policyholders of the precise nature of the coverage when the policy is sold.

Harry Perlet, assistant manager of the U.S. Chamber of Commerce insurance department, gave an address: "Insurance on the Washington Merry-Go-Round." He referred to the questions that are provoked by the FTC mail order insurance activity. He said that most of the trouble is caused by 12 companies writing but \$5 million in premiums. If FTC jurisdiction is considered to be supplementary to that of the states, the question arises of whether a particular state law is effective enough to oust the federal agency of jurisdiction. Another question is who is to decide whether a state law is adequate. Another question is whether quality of enforcement of state law is to be considered as well as language of the statute. There are 23 prohibited practices in the proposed FTC regulations. Are these to supplement or supersede state regulations? Many are wondering whether FTC aims to get its nose under the tent with the mail order approach, and then having established jurisdiction, to extend its rule to other fields of insurance.

Considers Celler's Doings

Mr. Perlet dwelt on the significance of Rep. Celler's maneuvers. He revised the various investigative and legislative situations on topics at Washington that touch on the insurance sphere.

J. W. Hughes, executive vice-president of Farmers Automobile Inter-Insurance Exchange, addressed a luncheon meeting on the second day. With much emphasis, he contended that the California legislation was enacted to meet the requirements of public law 15 and is far superior to the requirements of the all-industry measures. He pointed out that all of the California companies and the agents and brokers associations

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of that state wanted as little regulation as possible and were convinced that what the advocates of the all-industry bill wanted far exceeded the needs of the situation. He contended that the California law is legally sufficient to meet the requirements of PL 15. He said that the experience under that statute has confirmed the Californians of the soundness of their original views.

He argued that giving the insurance departments the right to determine what constitutes inadequate, excessive or unfairly discriminatory rates is an undue commitment of power.

Antithesis of Free Enterprise

The advocates of the all-industry measure, he said, declared that they are exponents of free enterprise but this he denied. Free enterprise, he said, means the right to compete and that implies competition in price. The proponents of strict regulation are not for that, he said. They favor uniformity of rates. He said that the defense lawyers in the S.E.U.A. case pleaded for state regulation on the ground that this had been effective in curtailing competition.

The deviation provision in the all-industry law, he asserted, is not satisfactory. It was intended as another compromise, but it does not give the insurers the freedom that they should have in construction of their own rates. The California bill without any reservations states that its purpose is to promote and encourage competition on a sound financial basis. He said that those interests that originally sought to get an outright exemption of insurance from the anti-trust laws were really appealing for freedom to indulge in practices to curtail competition.

In California, the commissioner is limited in his determination of what constitutes inadequate, excessive or unfairly discriminatory. As to the question of inadequacy he said the commissioner should not be responsible for judging this point unless continued use of the

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From left—Vestal Lemmon, Chicago, manager; Charles W. Margraff, Motorists Mutual, Columbus, treasurer; Leo Goodwin, Government Employees, vice-president; Herbert H. Rhein, Missouri Automobile Club Inter-Insurance Exchange, vice-president; A. R. Nelson, Hawkeye Casualty, president; John H. Carton, Wolverine, retiring president; Irving J. Maurer, Farmers Mutual Automobile of Wisconsin, vice-president, and Walter E. Acker, Farm Bureau Mutual, Manhattan, Kan., vice-president. Not shown are Walter L. Hays, American Fire & Casualty, and I. S. Markel, American Fidelity & Casualty, vice-presidents, and C. L. Morris, Illinois National Casualty, secretary.

proposed rate menaces the solvency of the company.

He praised the fact that in California there is no filing requirement of rates. He said there have been no abuses on that account.

The theory of open competition is part and parcel of the American economic system, he contended. To depart from it spells economic ruin. He urged his listeners to seek modification of the laws in those states that have the strict type of regulation.

Filing Procedures

H. E. Curry, actuary of State Farm Mutual Automobile, gave a paper on filing procedures proposed by departmental rating deputies in various zones. He said it should be kept uppermost in mind that the legislative intent of the regulatory statutes and the democratic principles underlying this government be fully recognized. Administrative procedures should be worked out on a mutually satisfactory basis or the whole scheme of state regulation will bog down.

The act grants to supervisory authorities the right to adopt "reasonable" rules and regulations to accomplish the purposes of the act and reasonableness is not to be construed as synonymous with "convenience," "desire," or of granting exclusive authority to either insurers or supervisors.

From the company standpoint, filing procedures should recognize the prerogatives or alternatives granted the companies by the various acts; the practical operating procedures developed by companies before installing changes or innovations; the benefits to be derived by following uniform methods between the states insofar as possible; orderly processes heretofore used by the company not in conflict with existing statutes; avoid the compilation of useless or insignificant information not pertinent to a filing.

Supervisory Standpoint

From the supervisory standpoint the filing procedures should be readily identifiable as a revision or a new filing; when applicable they should indicate or be accompanied by the reasons or data offered in support of the filing; they should be in legible form, presented in such a way they can be readily integrated with any previous filings made by the company.

The commissioners of zone 4 are the only group, he said, that have made an extensive effort to work out with the companies, a filing procedure acceptable to everyone. At the recent meeting in Milwaukee they adopted a uniform guide for the zone 4 states. This guide, he said, establishes a reasonable standard for making filings and he complimented the commissioners for their efforts.

The guide applies to both fire and casualty lines, provides that manual rules shall be accompanied by a letter of transmittal in duplicate, identifying the manual or section, page and rule

number, proposed effective dates, information supporting the filing unless already available to the department, and a general statement of the differences from any previous filings.

The same requirements are set up for manual rates except that statistical data are specifically mentioned. Companies may make preliminary filings on typed or other readily legible forms and subsequently replace such with printed pages or similar permanent record.

Where filings of policy forms and endorsements are required by law, the general procedure is the same as that applicable to manual rules and rates. Such forms shall carry a descriptive title, form and edition identification. This may sometimes create additional work in filing offices, but it is almost necessary to accommodate the various internal practices of the companies.

Mr. Curry cited objectionable features in some of the tentative rules that have been drafted by zones 2 and 3. He said the rules tend to be specific to the point of prescribing company procedure beyond the scope of the regulatory acts, for instance in prescribing of color codes to follow in filings. They require statistical data to accompany a filing whenever applicable. As to this, Mr. Curry said, under the act the insurer has the initial choice of material it offers to support a filing. The exercise of judgment is minimized and data of other insurers or organizations cannot be included by reference. This, he said, is unduly burdensome. Expense statistics as a part of supporting information are required and all rating formulae must be filed. The rule governing effective dates of a filing can cause a great deal of confusion, he said.

Harold Molitor Speaks

Harold O. Molitor, production manager of the dishonesty insurance department of Continental Casualty, in his address took up the coverages provided under surety bonds and comprehensive dishonesty insurance, and gave a number of sales tips for dishonesty policies.

Comprehensive crime coverage is a line about which a lot of noise has been made by the companies without a sales follow through, he said. There are two methods which can be used to make a sale of any insurance coverage: Educate the client as respects insurable hazards, exposure and type of insurance needed, or confuse the client into buying.

Mr. Molitor outlined a semi-humorous approach for fidelity bonds designed to get the prospect in the purchasing mood and to a point where his risk can be analyzed for an entire dishonesty program.

Thomas A. White, assistant counsel of Employers Liability, related the results in the past 20 years under the Massachusetts compulsory automobile liability insurance law. He argued that the proof of the weakness of the Massachusetts bill is that in more than

20 years no other state that has considered the problem has seen fit to adopt this type of legislation, despite the fact that the Massachusetts system has been studied by recess commissions of many other states. All of these committees have gone home and recommended against the adoption of such a law, he added.

Lists Other Weaknesses

Among its weaknesses, the Massachusetts law does not apply to non-resident drivers and does not protect persons injured on private property, Mr. White declared. Further, the law has led to the growth of "insurance dodgers," who register their cars under fictitious names, pay the first premium installment and drive the car without insurance from then on.

The public has become claim-minded, under the impression that every automobile on the highway is insured at least to \$5/10,000 limits. There has been a great increase in the number of exaggerated, and fraudulent claims, partly brought about by unscrupulous and unethical doctors and lawyers.

Mr. White mentioned that the law has resulted in an increased claim frequency, and liability rates have increased. The courts are crowded with automobile accident claims.

Because the commissioner fixes the rates, each year the hearing develops into a Roman holiday, he remarked. Because politics have influenced rates so much, the parts that go to make them up are always analyzed with a view toward reduction.

Commissions on this business have been reduced from 25 to 12% and this has led to the formation of unsound companies, many of which have gone bankrupt.

No Hardship Under Regulation

State rate regulation during its first two years has not worked an undue hardship on the insurance industry, and the chief fears for its success have so far proven groundless, David A. Forbes of Michigan, president of National Assn. of Insurance Commissioners, said in his address.

Mr. Forbes admitted that he would be presumptuous to state that a long enough period of time has elapsed to warrant an assertion that state regulation has proven to be fair, adequate and in the public interest, but on the other hand, neither has enough time elapsed to warrant proponents of federal regulation to assert that the states have failed in their responsibility.

He said that at the inauguration of the rating laws, those in the industry had three questions as to the adequacy of regulation—Would the states appropriate sufficient funds to administer the laws? Would political expediency be involved in approval or disapproval of rates? and would dealing with 48 states and their various laws and requirements create such a burden on the industry that it would welcome federal regulation?

Record Department Budget

In Michigan, the department budget is the greatest in history, but appropriations alone have not proven sufficient. There is need for a casualty actuary and finding young men with a bent for this work is difficult, Mr. Forbes observed. The department has had sufficient money but difficulty in securing trained personnel.

Mr. Forbes said he knows of no evidence of political expediency in rate approval or disapproval, and opined that there would be none in the future. While it is easy for the effected company to make such an accusation following disapproval of a filing, the proof is in the right of court review of a commissioner's findings. He said he has yet to hear of any such review in which the decision suggested or inferred any "political" conclusion.

The results of the last two years have not brought forth any evidence of varying views and decisions between the

(CONTINUED ON PAGE 22)

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FIELD

Millers National Sends T. F. Olson to Kan. Field

Millers National has appointed Thomas F. Olson as special agent in Kansas and Missouri, with headquarters at Topeka. He will work with State Agent Harold E. Holtz.

Mr. Olson has been with the company since 1941 as an underwriter in the fire, automobile and inland marine departments. He attended De Paul University, and was in the navy in the last war.

Inspect Cambridge, Md.

The Maryland, Delaware & District of Columbia Fire Prevention Assn. has completed a two-day inspection of Cambridge, Md., during which 285 risks were inspected and 268 were criticized by the 44 field men participating. There were 902 recommendations.

Montague to Pearl in N. J.

Pearl-American has appointed Gilbert S. Montague as state agent for southern New Jersey in charge of the Camden office. He has had 23 years of insurance experience as a field man for the North British and more recently as manager of Yorkshire at Philadelphia.

Kerestesi to Los Angeles

Great American has appointed Frank C. Kerestesi as special agent at Los Angeles. He has been in the San Francisco office for some time and before that was for several years with Pacific Fire Rating Bureau.

Tennessee Fire Prevention Assn. will inspect Dyersburg Nov. 16-17. An elaborate program has been prepared consisting of essay contests and moving

pictures on fire prevention which will be shown to the commercial clubs and schools.

Bowling Green will be inspected by Missouri Fire Prevention Assn. Nov. 22.

General Motors Agents in Ohio Form Association

Independent Insurance Agents of Ohio, Beggs building, Columbus, has been granted a charter by the secretary of state. The purpose of the organization as set forth in the papers of incorporation are to promote better relations between automobile dealers licensed as insurance agents and other insurance agents, encourage equitable practices and carry on educational campaigns. It is understood that the trustees are agents associated with General Motors agencies.

Virgil G. Martin, at one time with the Ohio department, is to be executive secretary. Trustees of the association, incorporated not for profit, are: David Towell, Akron; George Simeon, Columbus; Charles H. Sipe, Cambridge; T. H. Eddy, Toledo; Fred Evans, Youngstown; C. B. Nye, Athens; Crawford Edwards, Lakewood; Lloyd McKeown, Lima; A. D. Shallabarger, Dayton; Don Montgomery, Steubenville; Rice B. Kincaid, Mount Vernon, and J. E. Attaway, Cincinnati.

Hold Insurance Seminar

A. J. Sicher, superintendent special risks department of Hartford Fire, Chicago, was the instructor in time element coverages at the three-day insurance seminar at Minneapolis sponsored jointly by University of Minnesota and Minnesota Assn. of Insurance Agents. Joseph R. Brink, vice-president Thomas G. Linnell, Inc., Minneapolis, was the inland marine instructor.

National Fire Waste Council Agricultural Group to Meet Nov. 22 at Chicago

Improvements in protection of farm buildings against lightning will keynote the annual meeting of the National Fire Waste Council's agricultural committee at Edgewater Beach Hotel, Chicago, Nov. 22. Dennis C. Smith, chairman, Home, Chicago, heads the committee which informs farmers in use of up-to-date protective devices against lightning and proper handling and storage of gasoline and power machinery.

At the luncheon J. S. Russell, farm director, Des Moines "Register & Tribune," will speak on "The Place of Agriculture in our General Economy."

Harry F. Perlet, assistant manager insurance department of U. S. Chamber of Commerce, will talk on "The Role of the Chamber of Commerce in Fire Prevention"; John Nacey, vice-president P. Nacey Co., Chicago, "Modern Electrical Fire Alarm Systems for American Farms"; David W. Just, assistant electrical engineer of Underwriters Laboratories, "Electric Fence Hazards"; Norton T. Ames, Oregon, Wis., "Organization and Development of a Modern Rural Fire Department."

Harry P. Cooper, Jr., secretary National Assn. of Mutual Insurance Companies, Indianapolis, will report on the proposed national contest for farm fire departments.

More than 100 are expected to attend this meeting.

Worgess Agency Honored

At a dinner party at Battle Creek, Standard Accident honored the Worgess agency of Battle Creek and Lapeer for 25 years of representation.

In attendance were C. L. Miller, Detroit manager of Standard; Frank Locy, assistant manager; A. A. Clark,

manager bonding department at Detroit; Casey Kingman, Bob Jackson and Tom Finucan of the Grand Rapids service office.

At the dinner Mr. Clark presented Percy D. Worgess of the Worgess agency, a bronze plaque indicating 25 years of representation.

Mo. Superintendent's Term Is Expiring Nov. 15

The term of Owen Jackson as insurance superintendent in Missouri expires Nov. 15 and word is being awaited from day to day as to a new appointment. It is reported that Mr. Jackson has not sought to be retained in office. Under the change in the Missouri constitution, the term of office of the insurance superintendent hereafter will correspond with that of the governor and hence the term of whoever is now appointed will expire Jan. 1, 1953.

C.P.C.U. Courses in N. D.

A two-semester course to prepare students for parts one and two of the C.P.C.U. program, has been inaugurated through the extension department of North Dakota University at Grand Forks. Dr. Sam Hagen, dean of the school of commerce, is teaching the course. The class is held on Mondays at 8 p.m. George Ulseth, president of Grand Forks Insurance Agents Assn., served as liaison in arranging the program.

W. Jim Roberts has purchased the Charles I. Crane local agency at 637 East 38th street, Indianapolis. This will operate as a branch of W. Jim Roberts, Inc., and Mr. Crane will be manager of that office. A branch of Neighborhood Finance Co. will also be located there.

Joe Ashley, local agent, has been elected mayor of Wartrace, Tenn.

FIRE and ALLIED LINES REINSURANCE

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states. Mr. Forbes pointed out that the commissioners realize they must work in harmony in simplifying and standardizing requirements. The commissioners are on guard against their individual prejudices and are against any tendency to supplant the companies' judgment with their own opinions. He cited the recent action of zone 4 in adopting uniform procedure and requirements for filing policy forms and rates. While some of the companies may not agree with all the details of these requirements, they certainly will agree that the practice and principle of uniformity in filing is a necessity.

Reviews Legislative Year

Erwin A. Meyers of the Chicago law firm of Ekern, Meyers & Matthias, reviewed the legislative season as chairman of the legislative committee. He gave a lengthy analysis of the new Oklahoma rating law which is attracting considerable attention on the part of insurers who are becoming restive with what they believe is the tendency of commissioners to become more technical and discard "judgment" as a legitimate factor in rate making. Some feel that such an administrative policy may bring about a movement in the direction of the Oklahoma type of bill.

The Oklahoma measure adopts in a large part the philosophy of the California casualty rating law. Among other things, the Oklahoma law defines such terms as "excessive," "inadequate," or "unfairly discriminatory."

The philosophy of both the California and Oklahoma provisions, Mr. Meyers observed, is that no rate is excessive so long as reasonable competition in the area exists. Presumably the play of competition will protect the public against excessive rates. Under the Oklahoma law, a company may make rates as low as it wishes so long as the rates and practical operation do not affect the solvency of the insurer, or do not tend to destroy competition or to create monopoly. The reasoning back of this, Mr. Meyers said, is that a company will not use rates so low as to break itself. It also recognizes that a company might use an inadequate

rate on one or more covers that would not seriously affect the solvency of the company but might have the effect of destroying competition or creating a monopoly.

The Oklahoma law is also somewhat broader, or at least more specific, than the all-industry bill in its definition of what is meant by "discrimination." It provides that classifications are not to be regarded as discriminatory where based upon size, expense, management, individual experience, location or dispersal of hazard, or any other reasonable consideration attributable to such risks provided such classifications are applied to all similar risks.

The Oklahoma law is more liberal than the all-industry bill in detailing the various factors that are to be considered in rate making, these additional factors including: physical hazards, safety and loss prevention factors, underwriting practice and judgment and rarity and peculiar characteristics of the risk.

Greater Initial Freedom

The Oklahoma law gives insurers greater initial freedom of action in rate making than does the all-industry bill. Since the supervisory authorities have very broad powers of investigation, it remains to be seen whether the burden of the insurer in furnishing information to justify rates and classifications will be any less under such laws than under the all-industry type.

Mr. Meyers also emphasized the number of comparative negligence bills that were introduced and the bills for allowance of attorneys' fees to plaintiffs. All of these bills failed of passage but some of them by the slimmest possible margin. He expressed the belief that such bills are largely a reflection of public discontent with settlement of third party personal injury and property damage claims, and more particularly the latter. He said the companies must do a better job in loss settlements or more such bills are going to be encountered and some of them are going to be enacted.

Multiple Coverage Situation

At present, all except 11 states permit multiple coverage, the old-out states being Arizona, Arkansas, Connecticut, Delaware, Idaho, Nevada, New Mexico, Ohio, South Dakota, West Virginia and Wyoming. He voiced the belief it will only be a short time until it will be possible for a single company to combine fire and casualty lines in all states. This, he contended, has been long overdue. There is no sound reason why these coverages should not be combinable. Probably full advantage will not be taken of these powers immediately, but in the course of time many automobile insurers will engage in writing certain forms of fire coverage beginning with the simpler forms.

He pointed out there are still a number of states that do not have effective financial responsibility laws. He said he believes this is due to uncertainty as to need for such legislation and also uncertainty as to whether to enact a voluntary form or the compulsory form of financial responsibility bills. The states that either have no general financial responsibility law or else a very ineffective one are: Alabama, Arizona, Arkansas, Connecticut, Delaware, District of Columbia, Georgia, Kansas, Louisiana, Mississippi, Missouri, Montana, New Jersey, New Mexico, North Carolina, Ohio, Oregon, Rhode Island, South Carolina, South Dakota, Texas, Utah and West Virginia.

It is by no means certain that insurance will be able to prevent enactment of the compulsory form in some states. The greatest difficulty was experienced in defeating the compulsory bill offered in Delaware during the last session.

The unauthorized insurers bill, where enacted, will probably result in the licensing of mail order companies. At any rate, it will tend toward fair settlement of policy claims by such insurers. There are many mail order companies that have a good record of fair settlements, he said, and this legislation

is directed primarily at those which have been negligent or unfair in settlements.

He remarked on the measures that were enacted to increase the amounts to be recovered in case of wrongful death, and said it is probable that there will be more such bills in the coming sessions, due to the fact that the cost of living has generally increased.

CHICAGO

25-YEAR GROUP DINES

The "Twenty-five Year Club" of the western department of Loyalty group held its annual entertainment and banquet, attended by 61. There are 273 members in the club countrywide, 67 of whom are in the western department.

The entertainment was in charge of Leo H. Olson as chairman; Lyle W. Wissinger acting as toastmaster, with Vice-president H. A. Clark as the speaker.

The executive committee members for 1949 were Miss Grace Earl and Mr. Wissinger, and they were succeeded for 1950 by the election of W. B. Alaback and Mr. Olson.

Simultaneously meetings of the club were held at Newark, N. J.; San Francisco, Calif., and for the southwest department at Dallas.

McGEE ADVANCES WINNEBEC

Arthur P. Winnebec, inland marine underwriter with William H. McGee & Co. at Chicago, has been promoted to assistant secretary in charge of the inland marine underwriting department. Mr. Winnebec joined McGee & Co. last June after 16 years as an inland marine underwriter in the western department of Fireman's Fund.

WELBORN TALKS TO EXAMINERS

The Association of Fire Insurance Examiners of Chicago will hear Curtis R. Welborn, president of Underwriters' Laboratories, describe his organization at a dinner on Nov. 17. Mr. Welborn will show the film, "Approved by the Underwriters." Those wishing to attend should get in touch with A. S. Kohler, America Fore, association president.

BADGER MUTUAL CHANGE

Clyde Anderson has been appointed manager at Chicago by Badger Mutual Fire, succeeding Ray E. Budde, assistant vice-president, who has been transferred to Milwaukee. Mr. Anderson formally was a regional underwriter at the home office.

FIRE PROTECTION DEMAND

Walter L. Lowe, prominent Negro insurance broker at Chicago, who has taken the lead in various movements to improve conditions in the south side of Chicago and in solving the problem of insurance on properties in the Negro area, is demanding action on the part of the city council to prevent the recurrence of the type of fire that brought death to five and injuries to 26 in a kitchenette apartment building at 56th street and South Parkway, Chicago. This, he pointed out, was a supposedly modern apartment building on a boulevard in an unblighted neighborhood. However, he said this building was badly overcrowded. It originally housed 12 families and was converted into apartments housing 67 families and 210 individuals. It had been cut up into makeshift kitchenette apartments with hallway space, exits, fire escapes, etc. reduced. He remarked that when an owner installs many light combustible partitions and multiplies the number of gas stoves, electrical appliances and tenants, the fire hazards are enormously increased and the probability of escape in case of a fire is decreased.

He is demanding that the city council require the owners of all kitchenette apartments to install adequate fire extinguishers in each hallway, install a fire gong and appoint two fire monitors

on each floor, post directions for exit and safety in conspicuous places and require monthly fire drills in kitchenettes where there are more than 20 persons residing.

The regular annual get-together of the Quarter Century Club of the Phoenix-London office at Chicago was held with 26 present. Miss Madge Russell was elected president.

New York Department to Review Statistical Letter

The New York department is reexamining the mechanical problems involved in the carrying out of its letter to National Bureau of Casualty Underwriters and the Mutual Insurance Rating Bureau directing them, on statistical plans, to split losses and allocated claim expenses into component parts. An earlier letter directed that the new procedure be adopted as of Jan. 1, 1950.

William Leslie, general manager of the bureau, pointed out that the new procedure would create considerable mechanical difficulties for the companies. He said that a hearing would be requested unless the directive was changed. Upon the completion of its review of the problems involved, which it does not think are insuperable, the department will decide whether a hearing will be necessary. If so, it will be scheduled for the latter part of December.

An industry committee, which has been studying the subject, has sent a report to the National Assn. of Insurance Commissioners subcommittee which handles the problem.

Jay W. Stevens, assistant Pacific Coast manager of National Board, addressed a luncheon meeting of American Legion Insurance Post 404 at San Francisco. The post on this occasion saluted the National Board and had as guests R. C. Stange, assistant general manager, and other members of the staff.

WANT ADS

Addition to our staff of special agents creates opening for an experienced fire and casualty special agent for an excellent territory under supervision of Michigan Branch Manager of Stock Fire and Casualty Companies in their Grand Rapids, Michigan, Branch Office. Furnish age, experience and references in handwriting. Our employees know of this advertisement. Address W-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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General Agency connection with both a Fire and a Casualty Company in Virginia and North Carolina to handle large volume of Automobile and General Insurance. Address W-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Field job wanted by special agent for Illinois excluding Chicago. Age 32. Two years Inspection Bureau work and three years with present company supervising own field. Address W-52, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

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Bicycle Floater Provides Good Door Opener

A policy that a number of agents have found is an easy means of introducing the subject of insurance in a casual way to prospects is the bicycle floater. It is a policy that is usually purchased without ado when it is brought to the attention of a man with one or more children of bicycle riding age in the family. It is particularly attractive now that bicycles cost more than twice as much as when father was a boy, and the premium is inconsiderable. It is something to be sold, even to those with the personal property floater on a deductible basis, because the theft of a bicycle unless by burglary or holdup is subject to the deductible.

There are just a few companies that provide the insurance. National Fire is perhaps the leader. It has been selling the bicycle floater since 1942. There have been other companies in the past that have tried it but given it up. However, National Fire's experience has been satisfactory. The premium is 4% for theft only with a locked wheel warranty, 6% with no such warranty and 10% when collision is included. The minimum premium is \$2 with the warranty, \$3 without and \$5 including collision.

There are some automobile manufacturers that have an arrangement to provide a policy to purchasers of new bicycles, but such a tie-up was outlawed several months ago by a ruling of the New York department.

Waskom to Fireman's Fund

John B. Waskom has joined Fireman's Fund as marine special agent in Texas with headquarters at Dallas. He has had underwriting training in inland and ocean lines as well as field experience.

Tighten Up on Tenn. Auto Risks

NASHVILLE—Commissioner Allen says there has been a "decided tightening up" by all carriers on auto liability risks in Tennessee. "The insurance companies are carefully investigating every application for automobile liability insurance and are refusing policies in many cases, mostly those for persons who have been arrested for drunken driving or who have been involved in an accident after having a drink," he said. Advantage is being taken of reports sent in over the state on accidents subject to the financial responsibility law.

Farmers Union Services, Inc., has been organized at Chippewa Falls, Wis., by Wisconsin Farmers Union as an insurance department. The new unit will "promote and finance mutual and fraternal insurance organizations and loan them money and other assets on their notes and securities."

The Washington County Board has elected Herbert W. Rathburn, president; Lewis Stanton, vice-president and Lewis Panciers, secretary. They are all from Westerly, R. I.

S. M. Kabatek, assistant resident manager of Employers group at Los Angeles, has just celebrated his 35th anniversary in insurance. His first job was with the George W. Roberts & Son Agency, Chicago. After a year in the navy, 1918-1919, he returned to that agency.

He went to Los Angeles in 1920 and was with New York Indemnity and then Royal Indemnity until 1928, when he joined Employers.

A. N. Johnson, general counsel of North American Life & Casualty, Minneapolis, has been made a director and honorary vice-president of American Scandinavian Foundation.

The Iowa department has licensed Ohio Insurance Co. for aircraft coverage and Standard Casualty of Lincoln for auto and general liability lines.

Wash. Awards Fleet Policy

Truck Insurance Exchange has been awarded the automobile bodily injury and property damage insurance policy covering the Washington state motor vehicle fleet for one year beginning Oct. 1. Truck Insurance Exchange was low among four bidders with \$49,671. Pacific Employers, which had the line last year, quoted a 25% increase in rate, bringing its bid for the 1949-50 policy to \$55,519. General Casualty quoted \$67,747 and Northwest Casualty \$73,146.

Chiefs Hear Glasbrenner

Karl F. Glasbrenner, assistant manager of Glens Falls, and president of Southern California Fire Underwriters Assn., spoke before Orange County Fire Chiefs Assn. at Orange, Cal., on the "California Standard Fire Policy."

Insurance Women of Wichita observed the 10th anniversary of their organization at the first meeting of their new year. They reviewed their accomplishments and listened to a book review of "The Fisherman" by Mrs. Allison. Mrs. Marie Bieghler is president.

M. H. Roberts Makes Change

Norton H. Roberts, for many years automobile superintendent of St. Paul F. & M., on the coast, has resigned to go with California Compensation Ins. Co. as general casualty manager. He started at the home office of St. Paul in 1924. He is past president of Automobile Superintendents Club of the Pacific and is secretary of the Unaffiliated Casualty Managers Assn. He is a member of the board of California Automobile Assigned Risk Plan.

The meeting of Cincinnati Fire Underwriters Assn. scheduled for this week has been postponed until Nov. 17. Karl Dakin, Lebanon, past president Ohio Assn. of Insurance Agents, who was scheduled to speak on farm underwriting, was unable to attend because of the serious illness of Mrs. Dakin. It is hoped he will be able to speak a week later.

Leon J. Rosenthal of the Rosenthal & Klein agency, Newark, is giving a series of 16 lectures on insurance prob-

lems and practices of savings and loan associations under the auspices of the Newark chapter of American Savings & Loan Institute.

The department heads of the H. L. Davis & Son general agency of San Antonio, were entertained at a dinner party by Mr. and Mrs. Don G. Kaga of Indianapolis. Mr. Kaga is vice-president of Secured Fire & Marine and Secured Casualty, which are represented by H. L. Davis & Son. Mr. Kaga spent two weeks visiting Texas agencies.

Woodrow Schumacher, director of the licensing section, and Doyle Parmer, supervising rater of the Texas fire insurance division, are the fathers of daughters.

Western Plains Agency at Lincoln, operated by M. E. Schmieding, W. L. Schmieding and Sam Schwartzkopf, has been appointed general agent for central Nebraska by Service Life of Omaha.

Industrial of New Jersey and American Title & Insurance of Florida have been licensed in Connecticut.

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EDITORIAL COMMENT

The Problem of Auto P.D. Claims

The amount of attention that is being given within the business and by state authorities to the question of the handling of small automobile property damage claims is a wholesome indication. The Indiana investigation under a legislative resolution introduces an element of immediacy to the problem that is all to the good. Perhaps here and there something akin to a villain in the piece exists, but as we see it the remedy goes a lot farther than merely unearthing a few companies or adjusters that are deliberately engaging in sharp practices. There may very well be such and if so they need to be brought to time, but that is the simplest part of the problem. What the policemen can do is limited.

Company management, claim departments, adjusters, brokers and agents and perhaps even state supervisory officials are contributing, mostly unwittingly to the existence of the problem and all should share the responsibility for seeing that this everlasting and prolific source of friction with the public is removed just as completely as possible. This is friction that at any time can produce a lesion. Feelings of frustration on the part of claimants are susceptible of being fanned into anti-insurance prejudices that could become politically concentrated and translated into any one of numerous socialistic or near-socialistic devices.

There never was a better time for all hands to center their attention on this problem and proceed to build a record of corrective action. Next year is an off year legislatively and hence what is done need not be under the shadow of an imminent political threat. It is a fair guess that the 1951 legislatures, however, will burgeon with measures affecting automobile insurance such as state fund proposals, unsatisfied judgment schemes, compulsory insurance, comparative negligence bills, and the like. Many a legislator and many of his constituents will be swayed, not by the merits alone of a particular bill, but by his underlying bias towards the private insurance establishment and there is nothing that shapes so much individual opinion in this direction as the personal experience of motorists with property damage claims.

It was a good sign, we think, that at last week's meeting of National Assn. of Independent Insurers, there was a place on the program to treat of this question, and C. L. Morris of Illinois National Casualty attacked the prob-

lem in his paper in forthright fashion.

A large part of what can be done lies in that all embracing realm of public relations. That is, it involves square, fair dealing with the public and a lot of painstaking and courteous explanations of questions of negligence, liability and insurance theory to insured and claimants.

Insurance company management has the first responsibility. Management must decide firmly on the policy it wants pursued and must communicate that decision explicitly to the claim department and adjusters. It must give the adjuster a track to run on. We doubt that adjusters on their own initiative adopt a hard-to-get technique. If they are unduly resistive to claims, it must be at least because they sense that this is front office policy. Actually the easiest thing for an adjuster to do is to pay a claim. He is then shut of it. If he refers P. D. claimants to their collision insurer, it must be at least because he has gotten a hint from management that this will not be frowned upon. If he is told that every claim is to be treated strictly on its merits, without reference to whether there is collision insurance involved or not, that every claim must be acknowledged within a certain number of days, and that every denial of liability must be accompanied if at all possible by the reason for the denial, he can be held accountable.

Mr. Morris touched on an important phase of the problem and that is the necessity of agents and brokers when selling the policy and in referring claims to the company, to make crystal clear to assured the nature of the property damage liability coverage. Perhaps something effective could be done along this line in the way of printed explanations that could be mailed with renewals, emphasizing that this is protection against the consequences of acts of negligence, that in an accident it is not a question of whether he has insurance that determines whether the other motorist is to recover, but rather whether he has been so much at fault that the other party could recover from him at law. Too few people understand the theory of negligence. They seem to have the underlying notion that the possession of insurance is a confession of negligence. Agents should caution their assured against light heartedly and free handedly at the scene of an accident giving assurance that his insurance company will take care of

it. He should proceed at those times as he would were he wanting insurance. A man in an accident may feel a certain sense of guilt, but he should be made to realize that this is fundamentally a legal question, not an insurance question, and that he should no more give away his defense at the roadside when a fender is crushed than he would if there were broken bones.

Another thing it would be well for the public to be made to understand is that if a property damage claim were paid in every accident regardless of fault, the cost of the insurance would be as much, if not more, than that for collision. It would probably be more, because deductibles would be lacking and there would be no underwriting selection. An assured who wants his insurance company to make a good fellow out of him might very well go without P. D. protection at a premium of \$50 or \$60 or more, and, without insurance, it is conceivable that he would be somewhat more hard bitten when he is involved in a fender scrape.

As for the insurance departments, they can certainly use their influence to bring those companies to time that are systematically giving the deep freeze treatment to P. D. claimants, but over and beyond that they can

aid in publicizing the true nature of the insurance and can take some pains to straighten out claimants that they find have no real grievance. They can take a leaf from the book of Commissioner Holmes of Montana, who issued a public statement to the effect that most of the complaints under A. & H. policies are unjustified, and who at the same time appealed to agents and companies to impress upon policyholders the limitations of the insurance.

Mr. Morris, in his talk, suggested the possibility of setting up some sort of courts or arbitration machinery to dispose of P. D. claims. If this is inadvisable for all such, it might be limited, he said, to claims in connection with which complaint has been made to an insurance department. He said that possibly, out of these proceedings, would come no greater proportion of payment than at present, but it would result in policyholders and claimants getting an education on the law of negligence and the function of third party liability insurance.

We like the idea of having this problem talked up and tackled. Out of full discussion and debate the matter can be illuminated and effective remedies undertaken. It requires the attention of all hands in the business.

PERSONALS

Charles W. Blum, of the Butler & Blum local agency of Jacksonville has been appointed by Governor Warren as a member of the Florida state improvement commission. He is a former president of Jacksonville Insurers Assn.

C. M. Cartwright, retired editor of THE NATIONAL UNDERWRITER, is observing his 80th birthday Saturday Nov. 12 at his home at 2215 Lincoln street, Evanston, Ill. He is completely blind, but keeps up his spirits and maintains his interest in insurance activities.

Paul L. Avery, the new president of Connecticut Assn. of Insurance Agents, is a past president of the Hartford board. He entered insurance in 1919 with Automobile, was a time with New England Insurance Exchange, and then returned to Automobile as a rating engineer. He has operated his own business, the Robert J. Farrell agency, Hartford, since 1930. He resides at Granby.

Arthur J. Landgraf, Indiana state agent of the Meserole companies, suffered a broken collar bone and four rib fractures, when his car was forced off the road by a truck near Washington, Ind. He was confined to Davis hospital at Washington several days and then was in Methodist hospital at Indianapolis for a day or two. He is now at home.

DEATHS

Jay D. Smith, 52, former superintendent of agents of Vernon General at

Indianapolis, died there. He was a member of Indiana Blue Goose.

Donald C. Hancock, 62, a past president of Insurance Exchange of Richmond and Virginia Assn. of Insurance Agents, died at a Richmond hospital.



DONALD C. HANCOCK

He was senior member of the Elam & Funsten agency, with which he had been associated for 43 years.

Albert C. Bodenheimer, president the Henry Bodenheimer & Son agency which is one of the oldest insurance offices in Shreveport, La., died. He has been connected with the agency for 47

THE NATIONAL UNDERWRITER

PUBLISHED EVERY THURSDAY

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years. His brother, J. H. Bodenheimer, is now the president.

Robert E. Friedlich, 52, local agent at Rochester, N. Y., died there.

Thomas P. Evans, 55, chief engineer for the Washington Surveying & Rating Bureau, died after a heart attack at his Seattle home. He had served 30 years with the bureau.

Robert M. Blaine, 53, a member of the W. Tucker Blaine agency at Houston, died suddenly of a heart attack.

John J. Flynn, 65, executive vice-president of Massachusetts Bonding, died suddenly at his home at Brookline, Mass., Saturday from a heart attack. He was born at Boston and at an early age entered the insurance business.

Mr. Flynn's first insurance connection was with Employers Liability.

He joined Massachusetts Bonding in 1907, the year of its inception, and was first active in the burglary department. Later on he took on plate glass and gradually took over supervision of the various other casualty departments in his capacity of vice-president. More lately he has acted as executive vice-president.

The funeral was held from his home on Tuesday, with a requiem high mass at St. Lawrence's Church there, where the Rt. Rev. John J. Fletcher, a first cousin of Mr. Flynn, officiated.

George Kettering of the fire rating division of the Illinois department, died at Springfield Monday after a short illness. He had been with the department since March and before that was for some years with Illinois Inspection Bureau.

John B. Adams, 73, formerly state agent of Caledonian for 25 years until his retirement in 1927, died at his home at Elizabeth Lake, Mich., after a long illness. In addition to being a Michigan field man, he was a partner in the Zimmerman & Adams agency at Detroit for over 30 years. He was one of the oldest members of the Blue Goose.

George Nassauer, 65, who had been a member of the Coleman & Co. agency at San Antonio for about 25 years, died from a heart attack. He had specialized in A. & H. insurance, having been one of the leading producers of Provident Life & Accident, which is represented by Coleman & Co.

W. C. Armitage, head of the Armitage agency, New York City, died in Orange, N. J. He started in Brooklyn with American Surety, joined National Surety and became vice-president, 1917-190, when he resigned to form his own firm. He retired five years ago.

John Fries, 59, San Antonio, committed suicide. He was with the Texas department before going to San Antonio more than 25 years ago to become a member of the Maverick, Harding & Fries agency. He had been in poor health for five years, the result of a heart impairment.

Herbert L. Salsbury, 65, local agent at Savannah, Ga., and a past president of the Savannah Assn. of Insurance Agents, died there.

Dr. C. O. Sappington, 69, well known industrial surgeon and consultant in that field at Chicago, died at his home. He was editor of "Industrial, Medical & Surgical Magazine." He was an authority on occupational diseases and was consulted in the framing of the Illinois O.D. compensation law and had extensive insurance connections.

So. Cal. Surety Men Elect

LOS ANGELES—Surety Underwriters Association of Southern California has elected these officers: President, Myron Higby, National Surety; vice-president, Harold S. Vreeland, American-Associated; secretary, C. Phillips, Travelers Indemnity.

Martin Lewis, president of Surety Assn. of America, was present at the meeting and discussed problems affecting the surety business.

Group Cover Is Set Up for Mich. Agents Association

LANSING—A group insurance plan with Continental Assurance has been placed in force for members and employees of member agencies of Michigan Assn. of Insurance Agents.

The plan was made effective Nov. 1 but enrollment without special evidence of insurability is permitted until Nov. 20.

The program provides life, A. & H. and medical and hospital benefits for member agents, agency employees and dependents of both.

The administrator for the plan is C. M. Verbiest & Associates, Detroit. The executive committee now intends to launch a study of group pensions for the members.

Enters Casualty Field

John W. McCann & Co., independent adjusters of Montgomery, Ala., have entered the casualty and surety field. This department will be headed by Robert T. Smith, who has been an adjuster for Hartford Accident for the past three years, lately being stationed at Pensacola, Fla. He attended University of Georgia law school and he is a member of the Georgia bar. He was for a time with FBI at Washington and during the war served with the counter-intelligence corps.

John W. McCann & Co. has been in business 18 years handling fire, automobile and inland marine claims.

Kemper Quits GOP Post

James S. Kemper, chairman of the Lumbermen's Mutual Casualty, shortly after returning from a lengthy European visit, announced that he is resigning as treasurer of the Republican party. He said that the money in the treasury is dwindling and he indicated that he is in sharp conflict with the policies of many of the national leaders.

Inspect Charleston, W. Va.

A dinner Nov. 3 closed the two-day inspection of Charleston under the auspices of the fire prevention committee of West Virginia Field Club. The principal speakers were R. E. Vernor, Western Actuarial Bureau, and Prof. Oliver Shurtleff, Morris-Harvey College. The arrangements committee consists of H. E. Macshane, Aetna, and Parke Brady, Home, Herbert Fahlgren, Camden, is chairman and R. E. Mercer, Home, is secretary of the fire prevention committee. B. F. Flood, Royal-Liverpool, is president of the field club.

Sweet Pittsburgh Head

Edward D. Sweet of the Fred G. Schaefer agency has been elected president of Insurance Club of Pittsburgh. C. H. Kahrs, London Assurance, is vice-president; J. P. Mahon, Fidelity & Casualty, secretary, and Bessie M. Snyder executive secretary.

A football television get together is scheduled for Nov. 19, and at a luncheon Nov. 28 Homer W. Teamer, manager of Insurance Federation of Pennsylvania, will speak on the financial responsibility law.

Shapker with Jones & Son

Ned B. Shapker has joined the C. O. Jones & Son agency, Kansas City, specializing in A. & H. and hospitalization insurance.

Until Nov. 1 he was manager of the insurance department of the Hardy Phoenix Co., realtors. From 1945 to 1947 he was manager of the A. & H. department of Thos. McGee & Sons. He is a director of the Junior Chamber of Commerce and secretary-treasurer of Kansas City Assn. of A. & H. Underwriters.

Extra Dividend Declared

Continental Casualty has declared an extra dividend of 50 cents a share along with the regular quarterly dividend of 50 cents, payable Dec. 1 to stock of record Nov. 15. This makes the distribution for 1949 a total of \$2.50 as compared with \$2 in 1948.

Donovan Hartford Manager

Hugh W. Donovan has been named manager at Hartford for American-Associated. Mr. Donovan entered insurance at Cincinnati with American Automobile in 1934. Last year he was made assistant manager at Hartford. He is a C.P.C.U.

Empire Breaks Ground

Empire Life & Accident has broken ground for its new home office building at 28th and Meridian streets, Indianapolis. It is expected the two story structure will be completed by next September. The company, in its 41st year, plans to reach \$100 million life insurance in force by the time the building is ready for occupancy. It writes only in Indiana.

O'Connor Speaks in N. D.

E. H. O'Connor, managing director of Insurance Economics Society, is addressing Insurance Federation of North Dakota at a meeting at Bismarck, Thursday.



"WELL, THEN WOULD YOU SELL ME PART TIME AUTOMOBILE ACCIDENT INSURANCE?—JUST WHEN I DRIVE."

RELIABLE

The Reliable Fire Insurance Company is proud of the fact that it has been privileged to work with successful agents for more than 84 years.

Inland Marine Department
Wm. H. McGee & Co.
Managers

111 John Street New York 7, New York



RELIABLE
FIRE INSURANCE CO.
Dayton, Ohio

An Independent Ohio Company

Indiana Convention Sets New Record

Forbes Scores Agent Licensing Balkanization

A plea to Indiana Assn. of Insurance Agents to support aggressively the program of N. A. I. A. to bring about an agreement on a model uniform agents' licensing law for adoption in all states was made by David A. Forbes of Michigan, president of National Assn. of Insurance Commissioners, in addressing the Indiana annual convention. He observed that N.A.I.C. has a special subcommittee of the laws and legislation committee giving study to a model agency licensing law with Superintendent Jackson of Missouri as chairman. N.A.I.A. is cooperating in this.



David A. Forbes

Mr. Forbes declared that the variance in state laws applicable to licensing of agents and non-resident agents and brokers is deplorable. Michigan, for instance, does not recognize or license brokers and there are other states with similar laws. The Michigan department can license as a non-resident, agents of other states on the payment of an annual fee of \$10 if a non-resident represents only one company in his own state or \$30 if he represents more than one. If a broker applies for such a license, he is told that he must become licensed as an agent for a company in his home state with which he plans to place the Michigan business. Then he can get a Michigan permit.

Cal. Barrier Removed

Mr. Forbes recalled that California had a law specifying that the commissioner there could license as a non-resident broker, brokers of other states. There was no provision for licensing of non-resident agents.

Commissioner Downey of California consequently ruled that he could not license any Michigan agents to do business in California. Fortunately, the California act was amended at the last session to take care of this situation.

There are states that permit the licensing of non-resident agents and brokers but prohibit such from entering the state to sell or advise anyone on insurance.

Other states have prohibitive license fees for non-residents running as high as \$500. Others require that at least one-half the commission involved must

be paid to a resident agent, "thus destroying the right of private contract to which I know you all subscribe."

He said in reflecting on these variable laws, he wonders "if we are all living in one country under one flag."

Installation Payment Issue

On the subject of the installment payment of the term fire premium, Mr. Forbes said he is not taking a position until the whole subject has been thoroughly explored and studied. He pointed out that Commissioner Larson of Florida heads an N.A.I.C. special committee on the subject and he predicted that representatives of N.A.I.A. will be heard by that committee between now and the commissioner's meeting in December. He emphasized that it is the responsibility of commissioners to consider the interest of the public first.

Mr. Forbes gave an historical review of insurance supervision, emphasizing that developments in recent years do not represent new departures but, rather, represent intensification of regulatory principles that were established more than 80 years ago.

Indiana Notes

William H. Hansmann, vice-president at Chicago, presided at the headquarters of Fidelity & Deposit. He was accompanied by William A. Bowersox, assistant manager, and Raymond Jones, special agent. The Indiana representatives were Ben R. Turner, Jr., Indianapolis manager; O. W. Schooley, assistant manager, and John Burkley, special agent.

C. T. Reese, Indianapolis manager, and H. E. Schornstein, assistant manager, represented New Amsterdam Casualty. Al Leroy, assistant secretary, was on hand from the home office.

Russell Moon, Ohio state agent, attended with Frank Pocquette, western field manager of Meserole group. Mr. Moon replaced Art Landgraf, Indiana state agent, who is in the hospital as the result of an auto accident.

About 425 Indiana agents of American States had dinner Monday evening at the company's new cafeteria in the home office. Dudley R. Gallahue, chairman of American States, was host, assisted by nearly all of the executive officers.

Edward H. Shook Retires

Edward H. Shook, advisory casualty manager at Dallas of Travelers, has retired after 28 years with the group. Mr. Shook went to Dallas in 1927 as manager and became advisory manager in 1948. He joined Travelers in 1921 and went to Grand Rapids as a field assistant. After two years he was named manager there until his transfer to Dallas.

FURTHER STUDY VOTED

Indiana Sentiment on Installment Issue Divided

INDIANAPOLIS—The question of installment payments on term fire business had its innings for better than an hour at the annual meeting of Indiana Assn. of Insurance Agents here and the several votes taken during heated arguments revolving around the problem showed an almost even split down the middle as to whether to follow the lead of the National association in condemning the plan. After seven votes on motions and motions to table, all decided by close margins, and a last minute appeal by President Arnold G. Allen to the agents not to repudiate the administration leadership, it was decided to have the new president appoint a committee representing each of the 12 districts in the state, to canvass the membership and report with recommendations at the next annual meeting.

Had to Suspend Rules

This final action was made possible only after it was voted to suspend the rules, since the original motion on the subject had been tabled. The chronology of events leading to the concluding motion was so confusing that many of the agents wound up voting both ways during the various shows of hands. Linn S. Kidd, Brazil, a past president and retiring state director, presided throughout the difficult session with great poise and patience, but he frequently had to call on A. C. Johnson, counsel of the association, who was on the platform, for instructions as to procedure when the going got heavy.

The subject of installment plans was introduced by Mr. Kidd in his brief remarks as state director in reporting the N.A.I.A. feeling on the matter. He explained that installment plans have been in use in Indiana for many years, although written by only a few companies. The vote of Indiana at the National Convention against installment plans was made at the decision of the state officers to go along if that was the majority sentiment. It was not a hasty decision, he declared. The association would have preferred to remain neutral since its own membership had not had a chance to be heard.

When the topic was thrown open for discussion, Chris Zoercher, Tell City, a past president, immediately moved that a committee of five be named to study

(CONTINUED ON PAGE 28)

May Named President of Hoosier Agents, Succeeding Allen

Attendance of 1,286 Tops Former Highs; McClain's Work Acclaimed

By JOHN C. BURRIDGE

INDIANAPOLIS—Paid registrations of 1,286 for the annual convention of Indiana Assn. of Insurance Agents here this week set a new record for an organization which for the past few years has made a practice of holding the largest gatherings of any N.A.I.A. body.

Newly elected president of the Indiana association is Glenn J. May of



Arnold G. Allen



H. E. McClain

Spencer. He succeeds Arnold G. Allen, Muncie, who becomes chairman of the board. First vice-president is C. D. Kessler, Peru, and second vice-president is H. Hobbs Miller, Seymour. George W. Mahoney, Indianapolis, was elected to his 10th term as secretary-treasurer. Harold C. Phend, Monticello, was named state director to succeed Linn S. Kidd of Brazil.

The size of the Indiana gatherings is a tribute to the sparkplug efforts of Harry E. McClain, the executive secretary, who has played the principal part in developing the association to its present stature. Urban Krier, secretary of the Wisconsin association, said when he was introduced that he is taking in his second Indiana meeting as a spectator to watch Mr. McClain on the job and learn something about the Indiana esprit de corps.

The convention got under way Monday (CONTINUED ON PAGE 28)

INDIANA INSURANCE COMPANY

INDIANAPOLIS

FIRE
INLAND MARINE

AUTOMOBILE
CASUALTY

PLATE GLASS
BURGLARY

FIELD REPRESENTATIVES

R. L. (DICK) MILLER
CHARLES W. BARGER

A. H. BEHRENDIS
JOHN P. KEISER

CLAIM OFFICES

INDIANAPOLIS
TERRE HAUTE
EVANSVILLE
SOUTH BEND

RICHMOND
MUNCIE
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Allen Asks for Educational Setup Under State Pattern

Arnold G. Allen of Muncie, in his presidential address at the convention of Indiana Assn. of Insurance Agents, recommended that strong support be given to educational activities. There should be a minimum attendance of 500 at the annual school which the association conducts at Indiana University in the spring. Every agency should plan to have a representative attend this school at least every two years.

Insurance, as never before, requires the full time attention of agents. They are full-time business men and an integral part of their community. The agent must engage in constant study to keep abreast of the times. He recommended that the local boards utilize the N.A.I.A. courses and consider the Indiana University school as an intensive seminar and follow-up on the winter studies.

He suggested that the new administration set up a pattern of study for all local boards to follow. That is, the same courses would be held in every local board throughout the fall, winter and spring months and then the annual school would cover the entire program.

Membership, he said, is at an all-time high peak of 1,215.

Mr. Allen voiced the belief that the greatest threat facing the business today is socialized medicine because this would spell socialized insurance later. He closed by quoting extensively from the warnings of John C. Stott of Norwich, N. Y., immediate past president of N.A.I.A. of the threat of socialization of the insurance business.

Smith Hoists Storm Warning on Farm Underwriting

Dennis C. Smith, assistant manager of the farm department of Home, addressing the farm writing agents session at the Indiana meeting, declared that all indications are that farm income in 1949 will show a sizable decrease and this should constitute a warning to the agents and companies to take a closer view of underwriting.

Mr. Smith said it appears now, and will become more apparent next year, that farmers can be roughly divided into two widely separated groups. On one hand will be a group of substantial farmers with adequate cash reserves, substantial savings and mortgage-free land and equipment which will permit them to continue to make a profit on their efficient and productive farms. But, there will be a vastly larger number of farmers who will be in trouble due to lower prices and high production costs.

Cannot Temporarily

"The time has already passed when we can temporarily with 'insurance to value' for this class of farm risk," Mr. Smith declared. "To continue to write insurance on buildings at 75% to value on the over-improved farm or for the inefficient and less prosperous farmers will, without doubt, bring back to the farm business the same headaches that came in the early 1930's."

Agents who have entered the business since those depression years, Mr. Smith said, may save themselves trouble and inconvenience if they confine solicitation of farm property and casualty insurance to the better business farmers of the community. Be certain also, he advised, that coverage is written on the utility value of the buildings to the farm on which they are located, and not on a basis of replacement cost less depreciation.

The agricultural census shows that

there are six million farms in the United States. Mr. Smith declared that that is an incorrect statement. An executive of a large farm equipment company has observed that there are not 6 million farms, but 3½ million "business farms" worthy of the name. These business farmers in the top income group receive 82% of net farm cash income and account for as much as 91% of farm expenditures. They handle a lot of money and will continue to be prosperous and good buyers. They are among the best prospects for 1950, and, if writing of their business is handled in an intelligent fashion, they will present no special underwriting problem to either the companies or the local agents.

Trouble for Many Farmers

After citing some impressive figures to show that the 1949 farm income may be down as much as 20% Mr. Smith said that more than half of the farmers will find themselves in trouble next year. This group runs all the way from share crop operations to farms which just enable the operators to make a fair living. Many farms are over-improved and in bad times it will be impossible to run them in an efficient manner. "This class, which will be found in increasing numbers, present

a very definite problem as we move on into 1950," Mr. Smith remarked.

The cost of production by the farmer has shown little, if any, decline, while the cost of family living on the farm has more than doubled since the war. These factors coupled with a substantial reduction in income, will make it increasingly difficult for the inefficient farmer to make a go of it.

Taking up the cause of rural fire protection, Mr. Smith urged the stock company agents to assume a greater degree of leadership in this field. He mentioned that in some areas the mutual agents have gone ahead and helped the farmers with protection programs that have resulted in rate decreases for mutual policyholders. However, the rural fire departments thus formed have not been accepted by the state inspection bureau and the stock company agents have suffered accordingly.

The stock company agents, he asserted, are overlooking the opportunity of participation in a program that can provide them with a substantial reduction in the farm fire rate and aid in the competition with the mutuals.

R. J. Sanders, Indianapolis manager of Buckeye Union, was assisted by C. O. Kidwell and George H. Gilbreath, special agents.

Two Join Richmond Firm

Ralph S. Goode and Sam Cohen have been admitted as members of the firm of Julius Straus & Sons, Richmond, Va. Theo. W. Kelley, former president of Virginia Assn. of Insurance Agents, is head of the agency.

Shift in Tex. Department

A. D. Thompson, formerly with the automobile section of the casualty division of the Texas department as an investigator, has been appointed assistant director of the bond and burglary section.

Quebec Blue Goose Elects

Benoit Bertrand, Sun, has been elected most loyal gander of Quebec Blue Goose. Supervisor is R. A. Harries; custodian, G. C. English; guardian, J. H. Lesperance; keeper, H. F. McDonald; wielder, L. J. Leclerc.

Morton V. V. White of Kester & White, Allentown, past president of Pennsylvania Assn. of Insurance Agents, has been named a member of the Allentown city council and head of the department of parks and public property to fill a vacancy.

CONDENSED ANNUAL STATEMENTS OF THE

Vernon Companies

December 31, 1948

INDIANAPOLIS, IND.

VERNON GENERAL INSURANCE COMPANY

| | | |
|-------------------|----------------|------------|
| Assets | \$1,639,541.50 | |
| Liabilities | 1,249,799.94 | |
| Capital | \$200,000.00 | |
| Surplus | 189,741.56 | 389,741.56 |

VERNON CASUALTY AND REINSURANCE COMPANY

| | | |
|-------------------|----------------|------------|
| Assets | \$1,271,016.12 | |
| Liabilities | 963,123.17 | |
| Capital | \$200,000.00 | |
| Surplus | 107,892.95 | 307,892.95 |

Total premium income—both companies—1948.....\$3,025,000

Brief as they are, the statements above offer clear evidence of the continuously growing strength of the Vernon Companies. Important as this fact is to Vernon agents, policyholders, and stockholders, it is even more significant as a measure of the economic health of the country as a whole. For insurance, like freedom, is everybody's business. Vernon's conscientious trusteeship of policyholders' money, and Vernon's service to policyholders and agents, contribute importantly to the country's stability.

Vernon General Insurance Company Vernon Casualty and Reinsurance Company Indianapolis, Indiana

Casualty Credit Life Accident Bonding Fire Marine
21 No. Pennsylvania St. All Departments Tel. Market 6301

VERNON GENERAL INSURANCE COMPANY

A Home-Owned Stock Company
Qualified to Solve Your
Insurance Problems

Operating Under a Special Perpetual Multiple Line Charter. Qualified to Handle Any and All Lines of Insurance, with Home Office in Indianapolis. Owned by Indiana Stockholders. Serving Indiana Policyholders.

Our Business Is Operated Squarely on These Principles:

"WE HOLD that we best serve the Insuring Public through Agents and Brokers. WE AFFIRM that Agents and Brokers, by training, experience and acquaintance, and knowledge of local conditions, are best qualified to act efficiently and economically as representatives and advisers to the public and business. WE RECOGNIZE that OUR Agents and Brokers must be served well by us in order for them to serve their clients well. WE GIVE Agents, Business and Industry the advantage of our broad powers in writing broader and more simplified coverage in the Fire, Casualty and Surety fields. WE OFFER practical and open-minded underwriting and service on all business through our experienced underwriting and engineering staff and home office claim service."

Our Agents and Brokers Are Now Writing:

Workman's Compensation, Public Liability, Owners, Landlords and Tenants, Fire and Marine and Affiliated Lines, Burglary (All Lines), Plate Glass, Fidelity and Surety Bonds, Automobile (All Lines), Including Financial Responsibility Filing, and Health and Accident.

May Named President of Hoosier Agents

(CONTINUED FROM PAGE 26)

day afternoon with a session on farm business that was attended by about 300. This followed a morning of registering in some of the more than 1,200 who had paid in advance to attend the convention.

Ray L. Strayer, Warsaw, chairman of the farm underwriters committee, presided at this session. Talks were given by Toner M. Overly, director of Indianapolis Better Business Bureau, who dramatized Chic Sale's story, "The Specialist"; Dennis C. Smith, assistant farm department manager of Home and Harry Lees, vice-president of American Automobile. D. L. Breting, assistant secretary of Underwriters Laboratories, discussed briefly the work of his organization and showed the movie, "Approved by the Underwriters."

Ralph L. Murray, representing a northern Indiana utility company, stressed the need for periodic electrical inspections of farm properties. He told of a test inspection on 100 farms in Illinois in which only two met minimum safety requirements. Farmers put in electricity at first only with the idea of getting electric lights, he said, but have added new electrical equipment over the past few years that has greatly overloaded the home systems. He used an electric panel to demonstrate the dangers of short cuts or false economies with wiring.

Another demonstration, "Do Lightning Rods Really Work?" was given by Mel Blaising of Independent Protection Co., Goshen.

Farmers' Legal Liability

In his talk on "Farmers' Legal Liability," Mr. Lees asked that farm operators be sold the same protection that is urged on the city business man. Among the farmers' principal casualty insurance requirements are employers liability (or, preferably, he declared, workmen's compensation); personal liability; automobile coverages; and products liability. He emphasized the necessity for these lines by reciting numerous court decisions holding farmers liable for insurable occurrences.

Mr. Lees also mentioned the advisability of high medical payments coverage on employers liability. He recommended \$2,000 as a basic figure.

Every Indiana local board was represented at the board presidents and sec-

retaries dinner Monday. Harold C. Phend, Monticello, board chairman of the Indiana association, presided, while Harry McClain acted as moderator.

The evening was given over to a discussion of safety and fire prevention with tips on how a successful program can be carried out given by members of the Fort Wayne association. The Fort Wayne board has received national acclaim for its accomplishments in both the fire and accident safety field.

Leading the discussions were Capt. George C. Hood, chief of the Fort Wayne fire prevention bureau, who



Harold C. Phend



Linn S. Kidd

handles safety work for the city fire department; E. H. Westwick, Chicago safety expert of Assn. of Casualty & Surety Companies; Ralph Stodgill, chairman of the Fort Wayne safety committee, and John F. Neville, assistant counsel of the national association.

Following the talk of Capt. Hood, who has worked closely with the agents in preparing a fire prevention program, Mr. Westwick outlined the safety possibilities on automobile, stressing the use of the book, "Safety Is Your Business." Mr. Stodgill used pictures and graphs to demonstrate the achievements of the Fort Wayne agents in these fields.

Mr. Neville touched briefly on national issues and paid particular attention to local board rules and the effect on boards if any rules are challenged in the courts.

President Arnold G. Allen presided Tuesday morning and led off the session with his administration report. The theme of the convention, "Dividends Unlimited," showed itself in a big way

with the address of Corlett T. Wilson, local agent of Rockford, Ill., on "Packaged Personal Protection." This is the sales talk on personal surveys for home owner policyholders that Mr. Wilson has given to a number of state associations, and its success was repeated at the Indiana meeting.

A unique presentation of the value of using the bank and agent auto plan was a highlight of this session. This was in the form of a dramatic skit presented by members of the Indianapolis civic theater workshop, an amateur group, through the courtesy of Aetna Casualty. The Indianapolis board sponsored the show. The skit showed how "Agent Smug" was awakened to the necessity of using the bank and agent plan. A follow through talk on the operations of the plan was given by B. C. Kidd, agency superintendent at Indianapolis for Aetna Casualty.

The movie, "Found Money," a sales presentation on the personal property floater, concluded this session. The film was to have been shown the previous evening, but got lost in the shuffle.

Fireworks Tuesday Afternoon

All the fireworks of the meeting took place at the agents only session Tuesday afternoon when installment payment plans on term fire business were discussed. Linn S. Kidd, Brazil, presided at this meeting, which was begun with talks by Capt. George C. Hood of the Fort Wayne fire prevention bureau; E. H. Westwick, Chicago safety expert of Assn. of Casualty & Surety Companies; Willis Van Pelt, premium finance manager of Southeast National Bank of Chicago, and Mr. McClain.

Capt. Hood is described the extensive fire prevention activities of the Fort Wayne agents. This was an overwhelming program that took in the schools, homes, churches and industry. Thousands of fire prevention gadgets were distributed, and there were stories in the newspapers and on the radio.

The value of motor vehicle inspections was stressed by Mr. Westwick, who gave figures to prove this a valuable safety measure. Better enforcement of traffic laws is another prime need if accidents are to be reduced, he said.

Mr. McClain took up taxation of mutuals, and mentioned that Assn. of Casualty & Surety Companies is preparing material to refute the recent newspaper advertising of some mutual companies stating that they pay more federal taxes than the stock companies. The figures given in these ads, he said, are from years in which the stock companies showed an underwriting loss.

Agency Qualification

On the subject of agency qualification, Mr. McClain was emphatic in blaming the companies for creating the problem of part time agents.

The 1,200 members of the Indiana association write 84% of the stock company business in Indiana, he said, but there are about 34,000 stock agents in the state. The insurance department doesn't ask unqualified persons to take examinations, but some companies have as many as 700 agents in the state, the majority of whom produce only about \$50 apiece annually.

The association has a new committee which will meet with Commissioner Viehmann to see if something cannot be done on the matter, he reported.

In his talk on premium financing, Mr. Van Pelt observed that two of the greatest agency problems are collections and flat rate cancellations. Both are brought about, he declared, because when the policy is sold the agent fails to work out a payment plan, and the situation can be greatly improved if at the time of sale the agent will simply ask the client how he wants to pay for the policy. If the prospect can be gotten to state some way that he will pay, he will usually abide by his commitment.

Failure to get a payment plan set up can often lead directly to the loss of business, he observed. When the agent leaves, the need for insurance becomes

less of an issue with the prospect. If he has not committed himself to some definite plan of payment, the policyholder is likely to forfeit his coverage.

Mr. Van Pelt declared that only 2% of insurance sales are on a cash on delivery basis; 90% are carried on open account, and 8% are financed through banks or insurance financing firms. If another depression comes, these statistics indicate a dangerous situation for the agents. It is nearly impossible, he said, to merchandise 90% of the insurance business sold for one, three or five years on an advance payment basis.

Called on to take bows at this meeting were A. C. Johnson, counsel of the Indiana association, and Herman C. Wolff, Indianapolis, a member of the executive committee of the National Association.

The turnout for the banquet Tuesday evening was so great that many of the diners had their meals at tables 50 feet or more from the banquet hall on the mezzanine floor. The evening was given over entirely to entertainment and dancing. There were no speeches and no speakers table.

Talks at the final session were given by W. F. Kuffel, Chicago, on "Mutual Competition—A Myth?" John F. Neville, associate counsel of N.A.I.A.; W. W. Hamilton, executive manager of the Illinois association, and L. Allen Beck, Denver agent, on "We, the Agents." The luncheon speaker was George N. Craig, Brazil, national commander of the American Legion.

Indiana Sentiment on

Installment Issue Divided

(CONTINUED FROM PAGE 26)

the problem and report at the next annual meeting. This was obviously the action that the officers hoped to get. It had been debated at length in committee meetings. However, the motion was tabled following the argument of D. L. McKesson, Plymouth, who was very persuasive in his stand that the use of the plan has proved its value in Indiana. The vote to table was 127 to 104.

Sentiment at this point was definitely in favor of opposing the N.A.I.A. position, and call for a show of how many had studied the arguments of Walter Bennett, counsel for N.A.I.A., against installment plans, was voted down. In another vote of 129 to 101, the agents indicated a willingness to make an immediate decision. It was then moved that the association go on record as opposing the action of N.A.I.A.

Mr. Allen arose at this point to state that such action would be a direct repudiation of the association leadership. It constituted a forcing of an issue that obviously was premature as indicated by the narrow margins of the votes. The motion was tabled, 125 to 63.

Mr. Kidd then asked that the rules be suspended to allow the original motion, amended to enlarge the committee to take in the state districts. The final motion passed unanimously.

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Hoosier Companies Honor Forbes

INDIANAPOLIS—Executive officers of nearly every domestic Indiana insurance company turned out Monday evening to honor Commissioner David A. Forbes of Michigan, president of National Assn. of Insurance Commissioners. Taking advantage of the fact that Mr. Forbes would be at Indianapolis to address the annual meeting of Indiana Assn. of Insurance Agents, Commissioner Frank Viehmann of Indiana enlisted the assistance of Edward P. Gallagher, executive vice-president of American States, in arranging an Indiana all-industry welcome. The affair, originally planned as a small dinner, developed into a banquet with an attendance of about 100. The 31 companies represented included practically every type of insurer in the state.

The occasion was a unique one, Mr. Gallagher observed, in that it was possibly the first time that fire and casualty reciprocals, mutuals and stock companies have gotten together with the life companies for a non-business reason. While the dinner was a social event in honor of Mr. Forbes, it also provided a handsome demonstration of the unity of the industry as respects the desire for continued state regulation, Mr. Gallagher declared.

Head Table Group

The head table group was composed of Messrs. Forbes and Gallagher, and T. S. McMurray, executive vice-president of State Automobile of Indiana, Indiana commissioner 1921-27; Commissioner Viehmann; John Pearson, state agent for St. Paul F. & M., commissioner preceding Mr. Viehmann; John D. Cramer, Indiana deputy commissioner; Harry Hershey, Illinois insurance director, and Frank Bartsch, Illinois deputy director.

Commissioners Hershey and Viehmann paid high tribute to Mr. Forbes, mentioning especially his efforts to maintain state regulation of insurance. In his remarks, Mr. Forbes stressed the need for the companies to help the departments. He emphasized that the commissioners are sincerely attempting to regulate the business in the public interest. Decisions are made with an eye to keeping regulation uniform between the states.

The general tone of the dinner was that of friendly hospitality, and the few serious remarks were widely scattered between comments of good fellowship. The addresses were impromptu and brief, Mr. Forbes limiting his talk "to

the length of the weakest kidney."

C. R. McCotter, president of Grain Dealers National Mutual Fire, and Frank H. Sterling, vice-president of State Life of Indiana, were called on to take bows as chief arrangers of the gathering along with Mr. Gallagher. Among the guests were Glen Waugh, chief examiner of the Ohio department; James A. Watson, assistant attorney general of Indiana attached to the department; Joseph G. Wood, counsel for Indiana Assn. of Legal Reserve Life Companies, and Harry Cooper, secretary of National Assn. of Mutual Insurance Companies.

Fire and casualty companies represented, most of them by their presidents, were: American States, Capitol Indemnity, Vernon General, Merchants of Indiana, Secured F. & M. and Secured Casualty, Hoosier Farm Bureau, Farm Bureau Mutual, State Auto of Indiana, Farmers Mutual Liability, Indiana Ins. Co., Indiana Union Mutual, Indiana Mutual Hail, Indiana Farmers Mutual, Grain Dealers Mutual, and Indiana Lumbermen Mutual.

Life companies on hand were: Indianapolis Life, Empire Life & Accident, American United, Jefferson National, United Home, Midwestern United, Lincoln National, College Life, State Life of Indiana, Hoosier Farm Bureau Life, Police & Firemen's Assn., American United, Peoples Life, Standard of Indiana, and Lafayette.

B. C. Kidd Makes Bank-Agent Plea

B. C. Kidd, superintendent of agents at Indianapolis for Aetna Casualty, gave an address on the bank and agent auto plan, at the Indiana agents convention. This plan he defined as a method whereby the local agent, in order to retain the physical damage insurance on automobiles that his clients may buy under contract, assists such clients in obtaining bank credit. The plan was designed to protect the agents from losing automobile business to insurance outlets controlled by finance companies. He pointed out that in 1948 insurance companies that are owned or controlled by four major finance companies wrote a total of about \$113 million in auto premiums. This constitutes a real threat to the local agent's business.

He asked what the agents are doing to change a national buying habit wherein a car buyer follows his usual course of buying the package of new car, finance plans and insurance from an automobile dealer. Agents should undertake to obtain finance outlets in order to hold their material damage business and keep it "where it rightfully belongs."

Some 12,000 banks are now making direct automobile loans. He said that the first step in the program is for the agent to discuss the situation with his banker. Then he should use all available company advertising material to promote the bank and agent plan. The combination of advertising and word-of-mouth promotion by banks and local agents can be extremely effective, he said.

C. W. McDonnell, vice-president, and Howard Cannon, Indiana manager, were the representatives of Dearborn National Casualty.

Besides the Indiana field force of nearly 20, America Fore had a contingent from the western department offices including C. J. Lingensfelder, assistant secretary; Bert R. Wallinder, secretary and head of the farm department; Harry J. Petrie, Indiana agency superintendent; and James E. Guy, manager of the automobile department.

R. E. Minner, western vice-president, and G. C. Cundiff, secretary in charge of the farm department, were in charge for Home. The headquarters group included Dennis Smith, assistant manager of the farm department, who spoke at the farm underwriting session; Alwin E. Bulau, Indiana manager, and Frank J. Welch, who led the field staff. Doing the honors for Home Indemnity was Norman Hoopas, Indiana manager, attending his first meeting in that capacity. He took over his new position on Nov. 1.

Gleanings from Indiana Rally

E. L. Stephenson, manager, and William E. Woodman, field representative, were on hand for Associated Aviation Underwriters, at the convention of Indiana Assn. of Insurance Agents. Mr. Stephenson was renewing Indiana acquaintances, he having been Indianapolis manager for Fidelity & Casualty some years ago.

American States had a big representation from the home office. Among the group were R. A. Hendrickson and Frank J. Wise, vice-presidents; Frank Prange, head of the bond department; Miller Jones, field representative, and J. Ray Hull, vice-president and most loyal grand gander of the Blue Goose.

Capitol Indemnity representatives on hand were Martin Worrell, vice-president; James E. West, superintendent of agents; John B. Joyce, claim superintendent and John O'Toole and James Davison, special agents.

P. A. Cooling, president, led the group from Indiana Ins. Co., that included William P. Cooling, secretary; E. M. Newhouse, superintendent of agents; John P. Keiser, Charles W. Barger and R. L. Miller, special agents; John T. T. Hume, claim superintendent, and Charles E. Mohr, manager of the auto department.

The Franklin General delegation was comprised of George H. Potet, secretary-treasurer; and Robert J. Bell, George F. Ginter and Dale Poffenbarger, special agents.

On hand for Vernon General companies were J. M. Hogle, vice-president; George Moore, superintendent fidelity and surety; Russell Swan, superintendent of agents; Lester Everson, executive special agent, and Special Agents Ken Myers and Gene Brown.

The Failing & Beal General Agency was represented by Harvey Failing,

Marshall R. Beal and Wm. L. Fisher, special agent.

John H. Carton, president, led the Wolverine delegation that included H. Gordon Eason, vice-president; Robert Denton, vice-president; Harold Moore, automobile sales manager; and Paul Copper, Russell Ricketts and Clifford Spaulding, field representatives.

Foster & Messick, Indiana managers for U. S. F. & G., as usual had spacious headquarters. The organization anticipates having nearly 1,200 visitors at the agents meeting and prepares accordingly. John E. Messick, manager and vice-president of U. S. F. & G., was in charge, assisted by Jack Messick, co-manager; J. D. Williams, vice-president of U. S. F. & G., and Frank Fisher, Jr., superintendent of the safety and engineering department of U. S. F. & G., home office visitors, and B. H. Niehaus, assistant manager at Indianapolis. Henry Bush and M. O. Diggs, managers at St. Louis and Louisville respectively, also were on hand.

Convention Dates

Nov. 15-16, Kentucky agents, annual, Brown Hotel, Louisville.

Nov. 16-18, Maryland agents, annual, Lord Baltimore Hotel, Baltimore.

Dec. 4-8, Natl. Assn. of Insurance Commissioners, Galveston Hotel, Galveston.

Dec. 12, Arkansas Agents, midyear, Marion Hotel, Little Rock.

Dec. 15-16, American Management Assn. insurance division conference, Chicago, Drake hotel.

Dec. 27-28, American Assn. of University Teachers of Insurance, New York, Biltmore hotel.

1950

March 27-30, Midwest territorial conference of N.A.I.A. and N.A.I.A. National State Directors, Statler Hotel, St. Louis.

Oct. 16-18, National Assn. of Mutual Insurance Agents, annual, Hotel Statler, New York.

The annual meeting of the advisory board of New England Assns. of Insurance Agents is to be held Nov. 15 at Boston.

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Burglary Manual Changes Are Made Effective

New Rules and Rates, Formerly of Limited Use, Are Incorporated

National Bureau of Casualty Underwriters announces a revision of the burglary insurance manual effective Nov. 7, except in Texas where the date is Jan. 1.

This consists principally in the addition of new rules and rates which have heretofore been used on a limited basis and are for the first time being placed in the manual. These were covered in what has been known as the individual supplementary summary. About three-fourths of the items in the summary are now transferred to the manual and the remainder will eventually either be transferred or dropped and the summary will be discontinued.

Rules have been added as respects the residence and outside theft policy that will provide for writing insurance for the owner or lessee of one or more furnished houses or apartments, located on a continuous or contiguous plot of ground and occupied by more than one tenant; for insuring aircraft, automobiles, motorcycles and trailers under coverage A which are now excluded by the policy except in Texas and Virginia; a discount for the use of a private watchman; for property damage only coverage, and for rating private yachts and railroad cars.

Additional Watchman Discounts

For the bank burglary and robbery policy rules have been included granting additional watchman discounts.

A rule has been inserted to extend the individual safe deposit box burglary and robbery policy to provide coverage against theft or larceny for an additional premium.

The rules for writing the comprehensive safe depository liability policy have been clarified to indicate that the excess discounts are applicable to minimum premiums as well as rates.

Open Stock Subdivisions

A number of new open stock classifications have been established together with a revision of several existing classifications. In addition, the rules governing the writing of a mercantile open stock policy have been amended in the following respects: (1) To permit excluding coverage in merchandise insured against the same hazard under other policies and on merchandise belonging to others than the named assured. (2) To include janitors and porters in the rule covering loss occasioned by a robbery from a private watchman or a building watchman. (3) To provide for consequential damage coverage where only part of a garment is stolen or damaged. (4) Insurance on automatic vending machines may now be restricted to property damage only coverage for a reduced premium.

Mercantile Safe Burglary

For the mercantile safe burglary policy, rules have been added that will provide for insuring property in a safe or vault in premises other than those of the assured; provide theft coverage on cash registers, cash drawers and key-

(CONTINUED ON PAGE 38)

Henry Moser Tells of Saskatchewan Goblin

The menace of socialism to automobile insurance as exemplified in the Saskatchewan program, was etched in sharp and terrifying outline at the convention of National Assn. of Independent Insurers at Chicago by Henry S. Moser, Chicago attorney and general counsel of Allstate.

Mr. Moser made a firsthand study of the Saskatchewan setup this past summer, primarily because a North Dakota legislative commission soon plans to visit the province and report back for possible action in North Dakota.

Mr. Moser's moral was that insurance men in this country need to take heed of this annihilating socialistic development just across the border and do everything in their power to prevent the spread of this experiment to the U. S. He said insurance men cannot afford to be complacent in this respect any more than the nation can be complacent in its problem of national defense. Insurance people cannot say that this cannot happen in their states.

Even in the conservative state of Ohio at the last legislative session an act was introduced to make all automobile accidents compensable, regardless of negligence, with a provision for a monopolistic state fund. He recalled that the idea of monopolistic workmen's compensation funds seemed equally impossible at one time. Socialism cannot be looked upon as an exotic disease which can be kept out of the U. S. by quarantine regulations. The germs of communism and socialism have already crossed the borders. "Their terror is so close that it is now breathing down our necks."

Suggests What Can Be Done

In answer to the question of what can be done, he said: "We can cease neglecting our responsibilities of citizenship. We can constantly remind ourselves that we are executives of a business affected with the public interest. We can make a searching study of the shortcomings in our business upon which the socialistic germs feed and thrive. We can hang some question marks on things we have heretofore taken for granted."

The type of questions that he suggested need to be asked are: Is there any justification for public complaint or dissatisfaction with regard to our business? Are rates excessive? Are claims being paid fairly and promptly? Are any members of the public unable to obtain insurance? Are they unjustifiably placed in assigned risk pools? Are we taking too narrow a view of our obligations under assigned risk plans?

If the answers to any of these questions are in the affirmative, he said, "we are playing with the fuse of an atomic bomb."

"We must put our house in order," he went on. "If we fail, this great nation will fall into the quagmire of state ownership, bureaucratic slavery and communism."

Mr. Moser recalled that Cooperative Commonwealth Federation at its first national convention at Regina, Sask., in 1933, issued a so-called Regina manifesto saying among other things that "insurance companies which provide one of the main channels for the investment of individual savings and



Henry S. Moser

which, under their present competitive organization, charge needlessly high premiums for the social services that they render, must also be socialized."

C. C. F. in 1944 obtained control of the Saskatchewan government and immediately proceeded to embark upon its program of "destroying capitalism." Among other things, a government insurance office was created to engage in and, carry on all branches of insurance. For some years it has been writing all forms of insurance except life in direct competition with private insurers. The act provides that where the government contributes any public money to any undertaking, such undertaking must insure with the government. These include among others schools, universities, hospitals and sanatoriums.

Not Content to Compete

The government, however, was not content merely to compete with private insurers. In 1946 it passed the automobile accident insurance act which was designed to spell the death knell for all private automobile insurers and this is the act which the North Dakota legislative commission has been instructed to study.

Under this act, each applicant for a registration of a motor vehicle or operator's license must file an application for certificate of insurance accompanied by a basic premium, the amount of which is fixed from time to time by regulations. The original basic premium was set at \$5 for a private passenger car, to many times that amount for commercial and public vehicles, plus a premium of \$1 for each operator.

If the government considers that any owner or operator unduly increases the danger to the public, it may increase the basic premium for him, the amount of the increase to be in the sole discretion of the office. It generally increases the premium of persons who have been convicted for violation of traffic laws or have been in automobile accidents resulting in bodily injury.

No Policies Issued

No insurance policies are issued. From the basic premium collected, benefits are provided for residents of the province who are injured or killed, as a result of a motor vehicle accident, occurring in the province or elsewhere, if the person injured is a passenger in a motor vehicle driven by one holding a Saskatchewan operator's certificate. These benefits are paid irrespective of fault. Death benefits are \$3,000 for primary dependents, \$625 for each secondary dependent. Dismemberment allowances range from \$250 to \$2,000 and there are supplementary allowances for medical care and weekly indemnities sufficient to bring the income of an injured person up to \$20 a week.

This is a motor vehicle compensation act. Every resident is in effect given an auto accident insurance policy that is paid for by levying a tax on all owners and operators of motor vehicles.

Motorists are not relieved from the general common law liability for negligence. The act has been amended in 1947, '48 and '49. In 1947 collision benefits were provided, but with a \$100 minimum deductible. The basic premium rates were substantially increased and in 1948 the act was amended to afford \$5,000 and \$10,000 B. I. and P. D. cover, the latter being subject to minimum deductibles of \$100. Since every motor vehicle owner was already entitled to collision coverage, very little was added by the inclusion of P. D.

(CONTINUED ON PAGE 37)

Garage Liability Policy Revised, Coverage Broadened

New Program Provides for Insuring Garage Risks on Simplified Basis

NEW YORK—A third revision of the national standard provisions for the garage liability policy forms and a revised program for insuring garage risks have been announced by National Bureau of Casualty Underwriters and Mutual Casualty Insurance Rating Bureau, effective Dec. 1.

The revised form provides on a single policy coverage which was formerly available only through multiple policies.

The new program comprises a revision of the garage section of the automobile casualty manual and related rules in other sections, which have been clarified and simplified, and includes necessary supplementary rating procedures.

Garage Coverage Broadened

Coverage under the garage policy will be broadened under the program by the inclusion of additional interests coverage without charge, automatic coverage with respect to all premises, coverage for direct operations of the insured in connection with structural alterations, new construction or demolition operations, and extension of products liability coverage applicable to every type of risk insured under the new policy form.

Provision is made for including coverage for elevators, automobile medical payments and damage to property of others in charge of the named insured, without an endorsement or separate policy. Medical payments for premises and operations may be afforded by endorsement. It was formerly available to garages only by a separate policy. The program and revision have been filed in all states which require filing.

Conference Held on Cal. Minimum Benefits Law

LOS ANGELES—Twenty-eight representatives of insurers writing disability attended a conference with the department on the California minimum standards and benefits law enacted by the 1949 legislature.

Discussion centered on the rules that may be promulgated by the commissioner under the law, which gives him wide latitude in that respect. No definite conclusions were announced but suggestions offered will be considered by the commissioner in framing the regulations.

Commissioner Downey, J. R. Maloney, chief assistant commissioner; Joseph D. Thomas, assistant chief of compliance and legal department, and Charles Mehlman, chief actuary, represented the department at the hearing. All California companies writing disability insurance were represented. Jarvis Farley, actuary of Massachusetts Indemnity, represented H. & A. Underwriters Conference.

Henry E. Stenz has been appointed associate manager of American Hospital & Life at Corpus Christi and will devote his time to developing A. & H. business.

Council Now Calculates Interstate Modifications

NEW YORK—All states that have approved interstate rating of workmen's compensation risks have agreed to the arrangement under which National Council on Compensation Insurance collects and compiles the data on such risks and calculates the interstate modifications.

The council early this summer established an interstate rating office at headquarters, 45 East 17th street, New York 3, and it has been doing the interstate work there since. Prior to that time, the compiling and consolidation of individual state data for interstate rating purposes was handled by the state developing the greatest amount of premium on the risk. That state was called the sponsoring state, the others participating states, and this resulted in considerable confusion.

Insurers did not necessarily know which was the sponsoring bureau, and frequently it was necessary to write back and forth to get information. The responsibility for promulgating the in-

terstate modification was sometimes up in the air. Having the council's interstate office do the work is a good deal more logical and economic.

The proper processing of interstate risks is a sizable operation. At the time the office was established this year, it had between 4,000 and 5,000 risks subject to interstate rating. With the addition of states recently approved, notably Michigan on June 30 and New York as of Dec. 31, it is anticipated that by the end of 1950 the office will be handling between 12,000 and 15,000 risks. This is a conservative estimate, and the prediction is made despite the fact that of course many of the risks in New York, as was true in Michigan, will be ones that already were being interstate rated because of their location in states that previously had approved such rating.

On any risk subject to interstate rating, the council contacts the individual state workmen's compensation rating bureaus, to get the information on the

individual risks and its experience in the separate states so that it can be put together on an interstate basis. Many of the state bureaus are operated by the council. The first step, of course, is that the carrier on the risk notifies the council that the risk has interstate operations and indicates what states are involved. With that information the council notifies the rating bureau in each state concerned so that it may review and check the experience for operations located there. When this review and compilation of experience is completed, it is sent to the interstate rating office of the council. There it is summarized. This provides the statistical basis for interstate experience modification.

Prior to interstate rating, if a risk had two plants in the same state, the experiences of the two were combined for experience rating purposes. This was on the supposition that the plant, being under the same ownership and management, would reflect the same attitude toward operations, safety and so on. Interstate rating simply carries this one step further, to include the operations of the same concern in two or more states.

Greater Industrial Credibility

Consolidation of experience has the effect of developing a rate based on larger blocks of experience than was previously the case. Because of the larger experience, more credibility can be given to the risk's individual experience. For example, on a risk whose operations are about evenly divided between three states, interstate rating would be based on an individual risk credibility three times as large as could be applied under single state rating.

Three of the states that have approved interstate rating do not have workmen's compensation rating bureaus. These are Illinois, Rhode Island and Montana. There the council undertakes to review and check the individual state data as furnished by the carrier on the risk for which interstate rating is desired. The interstate rate then is based on advisory rates developed by the council for each of the three states.

After the interstate rating office of the council has compiled the figures and calculated the modification, each state bureau is notified and it applies the modification to its own manual rates.

27 States Have Approved

Twenty-seven states, the District of Columbia and Hawaii have approved interstate rating. The District of Columbia did so as of Aug. 1 this year, Michigan June 30, Mississippi Jan. 1, New York Dec. 31 and Oklahoma Oct. 1.

Interstate rating applies in these additional states: Arkansas, Connecticut, Florida, Georgia, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Missouri, Nebraska, New Hampshire, New Mexico, North Carolina, South Carolina, South Dakota, Tennessee, Vermont and Wisconsin.

It is hoped that other states will approve interstate rating within a reasonable time. Those that have not approved it are Alabama, California, Colorado, Delaware, Louisiana, Massachusetts, Minnesota, New Jersey, Pennsylvania, Texas, Virginia and Utah. In monopolistic state fund states, of course, insured would always deal with the individual state himself. These states are Ohio, West Virginia, North Dakota, Wyoming, Nevada, Oregon and Washington.

Cooperation Needed for Efficiency

It has been quite a task for the council to get so large an undertaking functioning smoothly and expeditiously. As a matter of fact, it has not yet attained its objective in this respect, which is to get the rate into the hands of the producer well in advance of the expiration date on the coverage. But it expects to do so if it can secure from companies and state rating bureaus cooperation in speeding up the submission of necessary experience data and

the reviewing and checking portion of the job. This helps the interstate rating office at headquarters to get the modification to insurers and bureaus quickly. With information from so many sources, complications that arise naturally are many. The interstate rating modification cannot be promulgated and furnished to the state bureaus until all information from all states is in.

It is interesting to note that on the average the risks which have been interstate rated so far have involved the experience of between four and five states.

Claim Texas W. C. Retrospective Plans Are Illegal

The casualty division of the Texas department will hold an open hearing Dec. 1 on the complaint of the Oil Well Drilling Co., which claims that the Texas commissioners exceeded their authority in approving the state workmen's compensation retrospective rating program.

Oil Well Drilling Co., states that it is aggrieved by the retrospective premium promulgated Feb. 19, 1949, for a policy issued by Associated Indemnity to be effective for a period of one year from July 1, 1947. The company maintains that the Texas board exceeded its authority in approving the retrospective rating program that became effective Jan. 1, 1944. In its petition, the company says: "The assured would further show to the board that retrospective rating plan B, upon which Associated Indemnity seeks to compute premiums on its policy, is invalid, illegal, void and unenforceable for the following reasons:

Reasons Are Adduced

"(a) The board of insurance commissioners exceeded its authority and was without statutory authority in promulgating its plan, in the first instance;

"(b) The board of insurance commissioners is authorized to promulgate 'prospective' rates as distinguished from 'retrospective' rates, consequently retrospective plan B is without authority of law, and is void and unenforceable;

"(c) The plan permits the insurance carrier to arbitrarily designate the rate which the assured will pay for its compensation coverage, uncontrolled by any rule and standard, and subject solely to the whim, caprice and arbitrary discretion of the insurance carrier;

"(d) The plan itself is discriminatory, and permits the insurance carrier to discriminate between assureds similarly situated, in violation of the rule of uniformity prohibiting discrimination in insurance rates in the state of Texas;

"(e) The board of insurance commissioners, in promulgating retrospective rating plans A, B and C, does not promulgate a single uniform rate, but has left the rates open to competition, negotiation and barter between the assureds and the insurance carriers, and, in doing so, they have exceeded and violated their statutory powers;

"(f) The plan, in advance of the policy period, and before the ascertainment of profits, permits the insurance carriers to agree to share profits which subsequently may accrue in the servicing of the account, in violation of revised civil statutes of Texas."

Williams on Executive Board

Paul T. Williams, Indiana manager of World, has been appointed a member of the executive board of International Assn. of A. & H. Underwriters, in charge of association activities in Indiana, Kentucky, and Tennessee. He is chairman of the executive committee of the Indiana association.

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*That A Snake,
Cut It As You Please,
Will Never Die Until
Sunset?*

This is common fallacious belief, without foundation.

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... however, that the agent who joins Hawkeye-Security-Industrial's team of agents is assured of getting the best in all 'round home office service every day of the year.

In addition to providing full Fire, Casualty and Industrial coverage Hawkeye-Security-Industrial gives its agents the kind of service that builds sales ... no red tape ... prompt settlement of claims ... and a Field Representative staff that really works closely with agents.

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Changes Proposed in UCD Regulations in California

SACRAMENTO—Several changes in the operation of UCD plans in California were considered at a hearing conducted by the director of the unemployment stabilization commission relative to new regulations. Most of them related wholly to unemployment compensation, but as the UCD plan is made a part of that act, changes in it were tied up with the general setup.

The regulations of greatest interest to insurance were those relating to definitions of hospital, confinement and day, under the amendment adopted by the last legislature, which were promulgated as emergency regulations by Director James Bryant Oct. 3.

Time for Approval

The regulation which will be of greatest practical interest to producers of UCD business is the one which requires that a voluntary plan in order to be approved by the department must be filed on or before its effective date. The department is given power to extend the time for a period not to exceed seven days. Heretofore the board's discretion has been exercised and approval given for the filing as much as several weeks after the effective date. It is clear that the personnel of the board will simply lack any authority to give any extensions beyond the seven days. H. Harold Leavey, vice-president and general counsel of California-Western States Life, made a plea that the board should retain discretion beyond the seven-day period, at least to cover extraordinary situations such as the negotiation of a collective bargaining contract providing for welfare plans, including group insurance and the UCD coverage. Frequently contracts are not arranged by the date it is hoped to have them effective. The matter is one in which the director would seem to clearly have discretionary authority as to what regulation to adopt. The appeals board would have no authority to invalidate such a regulation.

Regulation of Self-Insurers

Self-insurers are to be regulated in somewhat greater detail by the adoption of another regulation. Reports heretofore required from self-insurers monthly hereafter need be filed only quarterly. The director also proposes to provide that certain expense for the payment of salaries, medical examination fees, bond premiums, office supplies, postage, taxes and other reasonable expenses be considered as proper charges against the 1% deducted by the employer from the employees' wages. The labor representative did not object to authorizing such deductions, but attempted to have provision made that such charges must be "reasonable" in amount. Academically no objection could be made to that contention except that it will set a precedent for the board attempting to regulate salaries and charges in detail. The director seems to take the position that since no abuses have been shown he will not go this far.

Insurers of UCD business hereafter, commencing in May, 1950, for the year 1949, must file certain statistical records showing premiums, losses and expense pertaining to the voluntary UCD plan. Technically the filing must be made with the insurance commissioner pursuant to his regulations and a copy filed with the department of employment. The regulation also requires that notice be given to the department as to any dividend paid or credit set up in the books of the insurer arising out of premium on UCD cases.

During the discussion Mr. Leavey again urged that the department in its regulations should frankly call the new benefits a hospital benefit or a hospital confinement benefit and avoid the so-

called descriptive phrases of "basic benefit" and "additional benefit." He said that the persons insured, employers, and the personnel of the department, the department, the state fund and insurers would certainly use the term "hospital benefit" or "hospital confinement benefit." He charged that the use of "basic" and "additional" was gobbledygook which rendered the concepts confusing and would make department letters longer and understanding foggy.

Charles Scully, for the Federation of Labor, urged that the department's proposed terms be retained. He apparently fears that if the new benefits are called "hospital benefit" or "hospital confinement benefit" that it is more likely that the act will be upset, since Section 150 of the original act in stating the purpose of the disability law states that it is "to compensate in part for wage loss." The hospital benefit in reality has no relation to wage loss.

A great deal of discussion developed out of the proposal to provide that in addition to the present four methods of disposition of any dividend or any refund of premium a fifth method should be provided which would authorize the dividend to be disposed of in any manner agreed upon by the employer and the employee currently covered by the

plan. The other four methods heretofore authorized are: (1) Reduction of payroll deductions for a specific period; (2) refund the excess to the employee covered by the plan in some fair and equitable manner approved by the department; (3) increase disability benefit either temporarily or permanently; (4) apply the excess to the purchase of other employee benefits than in the UCD plan such as group life, hospital or medical insurance.

Labor Voices Opposition

The objection to the new category comes from the labor representatives. They have the attitude that no dividend should be paid, but that only benefits given to employees. A formal protest and appeal has been filed in the matter. The labor representatives claim that the funds are "trust funds" and as such cannot be disposed of under the act in any way except the payment of benefits. They even challenge the other categories, except No. 3, as being invalid. They also charge that the new category cannot be effective unless "all" of the employees consent.

Reg. 283 sets up a formula by which there is a reduction of the new hospital confinement benefit and weekly indemnity if the claimant is receiving regular

wages from his employer. Paul Pinsky of the CIO charged that the proposed regulation violated the basic concept of the statute creating the new benefit. He asserted that the new hospital benefit should be paid in addition to whatever regular wages an employer may elect to pay the claimant. In his protest and appeal he was joined by Mr. Leavey, whose work it will be recalled first established the doctrine that the state fund could not pay weekly indemnity on top of regular wages. Mr. Leavey claims, however, that different concepts are involved in the payment of a hospital benefit as distinguished from weekly indemnity. Peculiarly enough, the State Federation of Labor's representative attempted to uphold the proposed regulation denying the hospital benefit when regular wages are being received. In this position he was joined by Leland B. Groezinger of San Francisco, representing Life Insurance Assn.

Gives Tips to Loafers

G. K. Francis, Jr., Atlantic City agent, is addressing a luncheon meeting Nov. 16 of Philadelphia Assn. of A. & H. Underwriters on "How to Loaf Advantageously, or Why Go Stale on Sales."

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Agency Taxation Articles Popular

How to operate an insurance agency at the lowest tax cost is now being treated in four articles in the "Casualty Insurer," the monthly published by National Underwriter Company. This series, written by Charles W. Tye, tax counsel of Royal-Liverpool, and a recognized authority in this field, is attracting many new readers to the "Casualty Insurer" and much favorable comment. So valuable have the first articles been found by those agents who are considering changes in their agency organizations, purchase or sale of insurance agencies, that they have been calling the editorial office of the Insurer by long distance telephone to hasten delivery of remaining articles.

The first article taking up two and a half pages in the paper discusses the general principles of the 1948 tax revision act in relation to the organization form for an agency. The second article in two pages takes up the specific tax problems of the one man agency operating as a sole proprietorship. Two pages are used for the third article on specific tax problems of the partnership

and three pages for the fourth article on tax problems in the formation and operation of a corporation agency.

Many interesting and often unrecognized factors affecting the organization form of agencies are brought out. Pointers are given on how to operate a partnership so that should the agency sometime incorporate, it may be in the most favorable position to take on the corporate form.

All new subscribers may get these tax articles by sending in payment of \$2 with the subscription order.

Chicago Papers Speculate on Hershey's Intentions

The Chicago "Tribune" the other day printed a report that Insurance Director Hershey of Illinois intends to resign effective Jan. 1. As to this, an insurance department spokesman says: "No comment." Gov. Stevenson of Illinois was quoted by another paper as saying this was news to him.

It was known that when Mr. Hershey took office he did not propose to complete the full term, but it had been rather generally believed in insurance circles that he was not contemplating stepping aside as soon as Jan. 1.

Western Adjustment Reviews Oct. 10 Storm

Western Adjustment this week gave the companies an over-all picture of the loss situation from the Oct. 10 storm that swept mainly through Wisconsin and Minnesota but that also struck Iowa, Nebraska, northern Illinois and South Dakota. So far Western has received nearly 60,000 loss reports. Storm offices were set up at Des Moines, Duluth, Minneapolis, Rochester, St. Cloud and St. Paul, Minn., and in Wisconsin at Eau Claire, La Crosse, and Rhineland and extra men moved into nine other cities. Western has moved 164 men into the involved states with 82 assigned to the Eau Claire and Twin Cities storm offices.

The special storm offices are established at locations separate from local branch offices of Western and are under the immediate supervision of storm supervisors. Thus normal business is not interrupted.

Transfers Clerical Personnel

Additional clerical personnel has been transferred into the area at various locations and all files are being processed by the storm offices which expedites proof of loss delivery. Western's special storm forms are in use and individual transmittal letters are not being employed excepting in unusual cases.

Every attempt is being made to bring the operation to an early conclusion. The majority of the claims are small but considerable farm property is involved where the losses are somewhat larger. Being more widely scattered, progress on these cases necessarily will be slower.

It is understood that the average claim is about \$90. However this varies widely from company to company. Those with the heaviest farm business have the largest average.

Harry Cresse, 41 Year U. S. Casualty Veteran, Retires

Harry Cresse, a veteran of 41 years in the service of United States Casualty at Chicago, is retiring and he was tendered a farewell dinner Wednesday at the Union League Club that was attended by the entire personnel. Manager Thomas E. Barton, Jr., presided and Mr. Cresse was presented a number of gifts. Mr. Cresse plans to take up residence in a place of more favorable climate but he has not made a decision on that point. He served in various capacities with U. S. Casualty and for the past 10 years has been head of the accounting department. He was at one time in the railroad accident department of Continental Casualty, and then for a time was with Morris & Co. at the Union Stock Yards.

Distinguished Program for Actuaries' 35th Meeting

NEW YORK—Commissioner Allyn of Connecticut will be the chief speaker at the 35th anniversary dinner of Casualty Actuarial Society here Nov. 17. G. F. Michelbacher, president of Great American Indemnity and former president of the society, will speak as a representative of the older actuaries, and L. W. Scammon, actuary Massachusetts Workmen's Compensation Rating & Inspection Bureau, will speak as representative of the younger actuaries.

The dinner will close an all-day session at which officers will be elected, new fellows and associates admitted, amendments to constitution and by-laws considered, and James M. Cahill, secretary National Bureau of Casualty Underwriters, will deliver his presidential address. Several new papers have been submitted and will be presented at the meeting.

In the afternoon there will be an informal discussion of uniform accounting of expenses and its effect on ratemaking procedures.

Announce Four Speakers for Chicago A. & H. Assn. Sales Congress, Nov. 22

The program has been completed for the annual sales congress of Chicago A. & H. Assn. Nov. 22, according to John H. Campbell, Provident Life & Accident, president of the association.

The congress will start with a luncheon at which Dr. Ralph J. Gampell has already been announced as speaker.

The sales congress proper will convene following lunch. Sidney Fields, general agent for Massachusetts Indemnity at Cleveland, will tell "What Makes the Leading Producer." Joseph Meek of the Illinois State Retailers Assn. will treat "You Can't Sell It If You Haven't Got It." H. C. Doehne, general agent in Chicago of the intermediate A. & H. division of Continental Casualty will have as his subject "Selling A. & H. Insurance Successfully."

The meeting is open to everyone. There will be a charge for the luncheon, but attendance at the sales congress is free.

Mail Order Provision

North American Mutual of Wilmington, Del., is inserting in its individual or family group hospitalization policy a policy provision that the contract shall be construed and interpreted in accordance with the law of the state in which the insured resides, in the same manner as if the policy were a contract made in such state; that upon request of the insured or of his counsel it will voluntarily appear and submit itself to the jurisdiction of any court of the state of the insured's residence having jurisdiction of the subject matter for the purpose of litigating any dispute that may arise between the company and the insured with respect to this policy; and that in the event of the failure of the company so to appear, proof submitted to the court that such appearance has been requested shall be sufficient proof of notice to the company to give the court jurisdiction of the company for the purpose of this agreement.

Audit Chicago Reciprocal

Exchange Insurance Assn. of Chicago, a reciprocal, at July 31, 1949 had assets \$322,528, surplus \$105,580, statutory deposit \$100,000 and guaranty fund certificates outstanding \$150,000. Attorney-in-fact is Exchange Management Co. of which the president is Samuel N. Bergman; vice-president, Kurt Hitke; secretary, William B. Shapiro and treasurer, Mr. Hitke. It is licensed in Illinois and has a temporary license in Maryland. Premiums earned for the seven month period to July 31 were \$157,089, losses incurred \$87,552, loss adjustment expense \$11,041, underwriting expenses incurred \$67,988, loss from underwriting \$9,493.

L.M.C. Is Big Winner

Lumbermen's Mutual Casualty Company won the largest number of merit awards in the Mutual Insurance Advertising Exhibit held at Chicago in conjunction with the annual Mutual Insurance Advertising-Sales Conference and meetings of various national associations of mutual companies.

More than 3,000 pieces of advertising material were submitted for judging in 55 classes, with two merit awards made in each class.

Farm Bureau Insurer in Va.

Virginia Farm Bureau Federation at its convention at Roanoke, decided to set up a mutual insurer to write automobile insurance.

It will have to have \$175,000 surplus and 2,200 charter policyholders before operations can start.

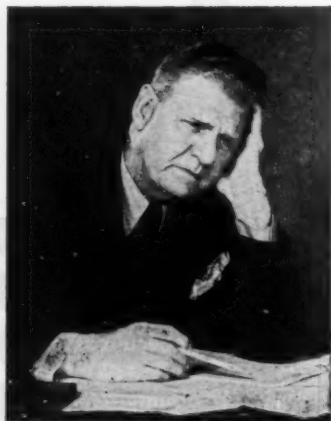
Yes Sir!
Every Good Insurance Man
sometimes feels like this Fellow!
Worried!

"Now I Remember — he told me to put on that Insurance.

"Now comes the loss, and no Insurance.

"There must have been a slip up somewhere along the line."

That is something to worry about



In this Important Business of Insurance
It Can Happen to Brokers & Agents Any Day

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FOR INSURANCE AGENTS & BROKERS
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U. S. Comp

Gerhard search Co. due to late scheduled luncheon. The program of Chicago was pared was assistant res cil. George of North and the he Pauley, m Underwrite nor, manag nomics Soc Roebuck & council an ization; R National, p nomics Soc S. J. Hay dent of A

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U. S., Scandinavian Comparisons Made

Gerhard Hirschfeld, director of Research Council for Economic Security, due to laryngitis, was unable to make his scheduled appearance before the luncheon meeting Tuesday of the insurance group of the Union League Club of Chicago, but a paper that he had prepared was read by John J. Hebal, assistant research associate of the council. George F. Manzelmann, president of North American Accident, presided and the head table group included C. O. Pauley, managing director of H. & A. Underwriters Conference, E. H. O'Connor, managing director Insurance Economics Society, Arthur R. Kaiser, Sears, Roebuck & Co., trustee of the research council and other leaders in the organization; Ray Wetterlund, Washington National, president of Insurance Economics Society. One of the guests was S. J. Hay of Great National Life, president of American Life Convention.

Mr. Hirschfeld's paper sketched the welfare plans that exist in the smaller European countries, particularly Denmark and Sweden and pointed out the differences in attitude, population, complexion and size that differentiate the underlying problems in this country and in such European countries. However, he said that in the Scandinavian countries there is a better organization and integration of social services than exists in this country. For instance here, he pointed out, there is surplus of medical facilities in the east, and a lack of such in the south. He said the responsibility of the community for health conditions is recognized in these European countries and is something that could well be emulated here.

Another point of superiority in these European countries, he said, is willingness of management to take the initiative for improvement of social conditions. In this country, an individual company may take such initiative, but there is lacking the same degree of responsibility for horizontal improvement that is found in Europe. Here dissension, rivalry and jealousy exist to a greater extent.

In Europe, he said, there is a higher degree of social consciousness. The interest in public affairs in Europe is much greater and on social matters there is more unselfish thinking and responsibility for the common welfare. However, he emphasized that in Europe, these countries have not had the dynamic opportunity that exists in this country and the brilliant achievements. In organization of social services, the United States is outdistanced by the Scandinavian countries, but in opportunity for the individual and in standard of living, the U. S. is far ahead. The question confronting this country is how to meet its social responsibilities without sacrificing the opportunity of the individual.

Mr. O'Connor spoke briefly on the menace of HR 600, the social security bill that was passed by the lower house of Congress in the last session and that will be a big threat in the new Congress. He said that the three main provisions that are objectionable are those to increase the wage base for tax purposes from \$3,000 to \$3,600 per year, which collides with the Hoover committee recommendation to leave social security on a pay-as-you-go basis; the direct entrance of the federal government into the industrial life insurance business by providing a death

benefit in connection with all covered employees and the setting up of a separate section providing for total and permanent disability benefits. This, he said, is adequately cared for in the need section of the law and would only lead to the inclusion of partial and temporary disability benefits, following the European pattern of snowballing.

PR Representatives to Meet

The advisory committee on public relations, which is made up of public relations representatives, directors or managers of about 18 property insurance organizations, fire and casualty, is meeting next Monday with the public relations staff of the National Board and next Tuesday with the public relations committee of the National Board. This is the second annual affair of this sort, and its purpose is to permit an informal interchange of ideas. There is no formal program but a discussion of various problems. The meeting helps National Board and other organizations to coordinate their various activities.

Alamo Casualty Sold

Alamo Casualty of San Antonio, organized by J. M. Harris four years ago, has been sold to C. B. Erwin and associates at a reputed price of more than

\$500,000.

C. B. Erwin heads General Lloyds Fire & Casualty, Texas United Life & Casualty, and is general agent of Federal Life of Chicago in Texas and New Mexico. He was elected president of Alamo Casualty, succeeding Mr. Harris. Harold L. Burke, executive vice-president, will continue in that position. Mrs. Mary L. Hendrix was named secretary. Directors are Joe W. Summers, George Cowden, L. H. Odom and Herman Glos-serman.

Campaign Honors Hodgkins

A 30-day testimonial sales campaign in honor of Edward R. Hodgkins, newly elected vice-president and manager of agencies of Massachusetts Protective and Paul Revere Life, is being staged by the field force.

Aims at Careless Smokers

Evansville, Ind., has passed an ordinance providing that whoever carelessly or negligently causes a fire in a bed, furniture, draperies, rugs or waste baskets of a hotel or lodging house should be guilty of a misdemeanor. The penalty is a maximum fine of \$300 and/or 10 days in jail. Hotels must display copies of the ordinance in each room.

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PERSONALS

Chase Conover, well known Chicago independent insurance accountant and consultant, and Alice Farris were married and are at home at the Webster hotel. She has been Mr. Conover's secretary for some time.

William H. Thompson, supervisor of personnel of Hartford Accident, has been named president of the Syracuse Alumni Assn. of Hartford. **Dr. Ralph Secor** of Connecticut Mutual is secretary. More than 150 alumni of the university live in Greater Hartford.

F. W. Lafrentz, chairman of American Surety, was honored at a luncheon at the home office, in observance of his 56th anniversary with the organization. Mr. Lafrentz who celebrated his 90th birthday March 25 joined the company Nov. 1, 1893.

At the invitation of the Iowa department, **Thomas C. Morrill**, deputy superintendent of the New York department, and **James J. Higgins**, chief of its uniform accounting bureau, are holding an all day discussion on uniform accounting at Des Moines Nov. 10 for Iowa fire and casualty companies.

Bert A. Hedges of Wichita, Kansas manager of Business Men's Assurance, underwent a major operation last week and will be confined to the hospital for at least two or three weeks. He has had to cancel his engagement to speak at the Chicago A. & H. sales congress Nov. 22. The meeting of the public information committee of International Assn. of A. & H. Underwriters, of which he is chairman, scheduled for Chicago Nov. 21, also has been cancelled.

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No. 6 of a series

Cites General Mills Case Lesson

(CONTINUED FROM PAGE 1)

that General Mills was not relieved from liability for negligently setting fire to the building.

General Mills in its argument stated that the owners carried fire insurance, that the lease obligated it to use the premises so as not to increase the insurance rates, and that the insurance premiums were paid out of rent money. They argued that the insurance recovery should reduce any liability General Mills might have because of having caused the fire. The court held that the owners carried insurance for themselves only and that the insurer's right to subrogation was clear.

Almost any tenant can look at General Mills and say, "It could have been me." He said that General Mills was not obviously gambling when it failed to cover itself in some way against liability for the burning of the building. He said he does not know of any generally available insurance coverage which could have been bought to cover General Mills' liability.

Fire insurance, Mr. Kiefer observed, is available to indemnify those who have an interest in property. The indemnity is payable even though the owners are negligent. It is generally considered that most fires are preventable. Negligence in some degree is at the bottom of most fires. No fire insurance company would offer a policy which contained an exclusion for fires caused by the negligence of the policyholder, his family or his employees. Tenants have generally assumed that when they rented real estate, they were not liable to the landlord for destruction of the building by fire, even though the fire could be traced to the negligence of the tenants. They assumed that the landlord would protect himself insofar as he wished by fire insurance and that the rent included money to be spent for insurance premiums.

Tenants Need Protection

Tenants need to be protected from the financial shock of losses caused by fire and if the tenants' assumption that they are not liable to their landlords for negligence is unwarranted, they need direct insurance protection. If General Mills had bought the property, insured it and it had burned under the same circumstances, loss would have been paid to General Mills without question. General Mills would have paid exactly the same insurance rate that the owners paid.

General Mills, which had no insurance, will pay the entire loss, fully indemnifying the owners. The insurance company will get a judgment for the \$100,000 it paid the owners. The owners had insurance but under the circumstances of the loss, did not need it. The tenant needed insurance but did not have any, and could not have purchased any under policies normally available.

Endorsing of policies to waive subrogation in cases of rental properties does not meet the problem, he said. If the tenant is liable to the owner, he is liable whether or not there was insurance running to the owner.

Mackall Chicago Teacher

Luther E. Mackall, New York attorney, will conduct a surety course in Chicago during the week of Jan. 9. Each day, Monday through Friday, there will be two instruction periods of two hours each. The first will begin at 4:30 in the afternoon. The second will begin at 7:30 p. m. On Saturday morning there will be a review and examination. Those who complete the course successfully receive a certificate signed in behalf of the Surety Bond Institute.

Further information can be gained from John J. Woodmansee of Century

Indemnity, secretary of the Surety Underwriters Assn. of Chicago.

The course is one of 18 which Mr. Mackall will conduct on a swing through the country to the Pacific Coast and back. Mr. Mackall is an instructor in fidelity and surety lines in the National Surety Training School and in the insurance school of the Insurance Society of New York.

Allen Postpones Tenn. Casualty Rate Hearing

NASHVILLE—Commissioner Allen has postponed indefinitely the proposed casualty rate hearing set for Nov. 11. In its place he has called for a "preliminary conference study" by the department, agents and company men "in view of similar studies being made in several other states."

The postponement was made before petitions opposing a rate cut, drawn up at the annual meeting of Tennessee Assn. of Insurance Agents, could reach Governor Browning.

In the fire rate controversy, involving an order for one rate reduction and a recommendation by the department for another, it is believed that a compromise settlement may be near. This will probably be brought about by the adoption of the Virginia rule, which is believed already to have been filed, at least informally, with the department.

Carolina Casualty Changes

Under the new setup of Carolina Casualty of Burlington, N. C., P. C. Baylor continues as president, but general manager, secretary and treasurer is Shepard Broad, a lawyer of Miami Beach, and assistant general manager and secretary is Seymour Rubin, a Miami Beach business man. Vice-presidents are F. M. Hunter and J. M. Benson. Controller is Fred Dodge.

Mr. Broad and Mr. Rubin recently acquired control of Carolina Casualty. They bought the stock that was owned by M. A. Carty, Sr., and also some minority interests. An additional 2,000 shares of \$10 par preferred stock was sold at \$20 per share, increasing capital to \$302,840 and contributing \$20,000 to surplus, which now exceeds \$150,000.

Western Companies' Gains

Western Casualty & Surety and Western Fire established a new high record in premium volume, in admitted assets and net earnings for the first nine months of 1949.

Premium income was \$12,481,023, a gain of \$2,190,732 over a year ago. Assets of the casualty company rose \$1,389,750 in the nine months to \$14,705,779. Assets of the fire company increased \$1,358,836 to \$6,620,557. The two companies showed a combined underwriting profit of \$484,871 on a statutory basis after adding \$1,621,314 to unearned premium reserve. Investment income was \$247,960 as compared with \$200,553 a year ago.

Surcharge Decision Soon

ST. PAUL—Testimony has been completed and briefs are now being prepared in the action to determine the legality of the 2% surcharge on fire policies in Minnesota. Final arguments will be made later. More than a dozen attorneys took part in the trial, representing the plaintiff, Kenneth Hassler, the defendants, Commissioner Harris, Travelers Fire and L. D. Engberg, its agent, and the St. Paul Firemen's Relief Assn., one of the beneficiaries of the 2% charge.

Marine Course at Lincoln

LINCOLN, NEB.—A course on fundamentals of marine insurance will begin Nov. 5 in adult night high school here. Classes will be conducted by Charles D. Sayre, manager of the insurance department of Stuart Investment Co.

November

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benefits.

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In 1949 including \$100 minimum were again basic premium 1932, \$100,000, for premiums range from commercial vehicles.

With all the insurance did not to motorist compensation adequate to purchase adequate compensation. Recognizing the fact, the government "policy" which provides for the \$100,000 between the deductible, \$100,000 over the act; \$40,000; P. \$1,000 provided through a 25% by private and 10% vehicles.

No Such

No such adopted and than in S and inequity charged. tend benefit province, against only residents. population more than 168,000 burden of fits to the discrimination of all citizens required to is nothing among the their ability of a pedal motor attack larger basic banker drive.

Paternalistic

The legis paternalistic ing, he said wish to com investment fantastic use can be found government require all citizens to cover the burns injuries sufficient. Provisions and fire and invasions of cherished social. The legis is in their In Saskatchewan paid by a family \$13.50 in 194 the adjoining for 5/10 B. now \$6 to \$100,000 than their basic premium. Since the subject to a able, the beneficiary-five percent coverages are. The premi

Moser Tells of Saskatchewan Goblin

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benefits. This was for window dressing.

In 1949 the act was amended by including fire and theft coverages with \$100 minimum deductibles and the rates were again substantially increased. The basic premium varies from \$4.50 for 1932, \$10 for 1942 and later year models, for private passenger cars and the premiums for public service vehicles range from \$85 to \$467 and for commercial vehicles from \$12 to \$202.

With all the amendments, this insurance did not afford adequate protection to motorists. It was mainly a compensation plan. Those desiring to obtain adequate protection were compelled to purchase insurance from either private companies or the government office. Recognizing the inadequacy of the benefits, the government in 1948 began to sell a contract known as a "package policy" which now costs \$18.50. This provides fire and theft protection up to the \$100 deductible, the difference between the \$25 and \$100 collision deductible, \$20,000 and \$40,000 B. I. limits over the \$5/10,000 provided under the act; passenger hazard \$20,000 to \$40,000; P. D. \$5,000 in addition to the \$1,000 provided under the act, and comprehensive. These policies are sold through agents who get a commission of 25% which is 5% more than is paid by private companies on passenger cars, and 10% more than is paid on other vehicles.

No Such Plan Anywhere Else

No such compensation plan has been adopted anywhere in the world other than in Saskatchewan. It is unfair and inequitable legislation, the speaker charged. Although it purports to extend benefits to all residents of the province, the entire cost is assessed against only a small segment of such residents. In 1948 the province had a population of 850,000 and the car registration was about 168,000. Thus, less than 168,000 motorists bore the entire burden of furnishing compensation benefits to the 850,000. This is inherently discriminatory. If it is for the benefit of all citizens, all citizens should be required to contribute. The cost, which is nothing but a tax, is not divided among the motorists in accordance with their ability to pay. An indigent owner of a pedal bicycle or scooter with a motor attachment is required to pay a larger basic premium than a wealthy banker driving a new Cadillac.

Paternalistic Legislation

The legislation is purely and solely paternalistic. It passes all understanding, he said, that a government should wish to compel a motorist to protect his investment in his automobile. No such fantastic use of the powers of the state can be found in American history. The government might just as logically require all citizens to carry fire insurance to cover damage to clothing, cigarette burns or accident insurance for injuries suffered from slipping in bath tubs. Provisions relating to collision and fire and theft coverages are drastic invasions of the liberty and freedom cherished so highly in this country.

The legislation has not saved motorists in their automobile insurance cost. In Saskatchewan the basic premiums paid by a motorist with two drivers in his family varied from \$8 in 1946 to \$13.50 in 1949. In the rural sections of the adjoining Manitoba, the premium for 5/10 B. I. limits and \$1,000 P. D. is now \$6 to \$7 a year. Hence, Saskatchewan farmers are being charged more than their true cost to help reduce the basic premium for city dwellers.

Since the fire and theft coverage is subject to a minimum of \$100 deductible, the benefits are illusory. Seventy-five percent of all claims under such coverages are less than \$100.

The premium charged by the govern-

ment for a package policy plus the basic premium is not substantially less than the premiums charged by private insurers for comparable coverage. Cars cannot be driven in most of Saskatchewan during the winter and private insurers allow credit for winter storage. No such credit is allowed by the government. After allowing for such credit the premium of private insurers is frequently less than the aggregate premium for the government combination.

As to claim settlements, Mr. Moser asked: "Can you conceive that all citizens are treated alike, that there is no partiality, no resolving of doubts for, or no special consideration to, loyal members of the C. C. F.?" One would be naive indeed to harbor any such belief.

Old-fashioned ideas such as enterprise, efficiency and thrift are at a dangerous discount. The settlement of claims has given rise to great dissatisfaction. There is no resemblance to promptness and efficiency. The government set up a number of government-owned garages to make repairs which was done by apprentice labor. Photographs of one such garage showed more than 100 cars waiting to be serviced and repaired. Where cars were repaired in private garages, the owners had difficulty in getting payment from the government. Hence the private garage owners refused to release the cars until the motorist paid the bill.

Picture-Taking Requirement

The government requires photographs to be made and motorists in remote sections are unreasonably delayed if they have to wait for the government picture-taker to arrive and give permission to make the repairs.

A referee appointed by the government is the final arbitrator in connection with collision claims. There is no appeal from his determination. In connection with the other claims, actions against the government may be brought only in one court with no right of appeal and the plaintiff may not recover any costs.

Manitoba, which has a safety responsibility law, has a better safety record than Saskatchewan.

The statement for 1948 purports to show a profit from general insurance operations of \$75,000 and a profit from the administration of the accident act of \$25,000. However, any fair and true accounting discloses that the office, in fact, operated at a big loss. The law was changed in 1948 to provide that government insurance is excess of private insurance and automobile insurance losses paid by private insurers in Saskatchewan that year were about \$240,000. A very large part of that was in fact the liability of the government. Had private insurers refrained from writing business in Saskatchewan, the incurred losses of the government would have been materially in excess of the alleged surpluses in the 1948 statement. He pointed out the government pays no premium or income tax, or any acquisition cost on most of its business. The Dominion is deprived of the income tax that would have accrued to it were such acquisition paid.

Allstate Soon to Move

Allstate is planning to move shortly after the first of the year to the new home office that has been put up for the organization at 3245 West Arthington street, Chicago, which is contiguous to the Sears Roebuck & Co. main plant. Allstate is a subsidiary of Sears Roebuck. Allstate presently is located at 20 North Wacker drive.

H. H. Warner has retired after serving 25 years as a special agent in Iowa for L. E. Ellis & Co. of Des Moines. He has moved to Sweet Springs, Mo.



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well as their boilers—plus the very important matter of inspections by specialists. Make sure also that they have adequate Use and Occupancy coverage.

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The Hartford Steam Boiler Inspection and Insurance Company
HARTFORD, CONNECTICUT

FOR POWER-PLANT INSURANCE, IT PAYS TO CHOOSE THE LEADER

Make Burglary Manual Changes

(CONTINUED FROM PAGE 31)

mium; permit excluding coverage on the property of others than the named insured.

As respects the messenger and paymaster robbery policy it is now provided that persons not in the regular employ of the assured but duly authorized by the assured to have the care and custody of the insured property may be included as messengers, that coverage on the property of others than the named insured may be excluded; that there may be coverage under the messenger robbery policy on a locked safe securely bolted or welded to the automobile used by the messenger for an additional premium.

The fraudulent delivery rule applicable to the interior robbery policy is now restricted to money and securities in lieu of all property.

The present rule for writing the paymaster broad form policy has been amended to include a provision for increasing the 10% limit on property other than payroll.

M. & S. Broad Form Policy

New rules for the money and securities broad form policy now provide (1) for using the fireproof safe rate for hotels where the equipment consists of locked steel containers of the safe deposit box type instead of a safe; (2) for insuring property in a safe or vault in premises other than those of the assured; (3) for excluding coverage on property of others than the named assured; (4) for amending the definition of messenger or custodian to include persons not in the regular employ of the assured but duly authorized by the assured to have the care and custody of the insured property excluding any person while acting as a watchman, porter or janitor and employees of a transporter for hire.

The warehousemen's liability policy may now be written with deductible varying up to \$5,000.

A new rule now permits increasing the 5% limit per valuable paper in the valuable papers policy.

For the storekeepers' burglary and

robbery policy, a new rule now permits the amending of the definition of premises to include the interior of all the assured's buildings on a continuous or contiguous plot of ground.

A new rule now provides combination safe and robbery coverages or money and securities broad form coverage for common carriers.

New rules have been included which will provide for insuring personal property under varying circumstances such as in checkrooms, property of employees or students and property in baggage rooms or storerooms.

There has been an amendment to the rule applicable to combination coverages for special risks which now provides for writing theft insurance in the home of a messenger or custodian, heretofore limited to burglary only.

Term Up on Automobile Financed Coverage

(CONTINUED FROM PAGE 2)

the finance company would face only a mild chance of having to repossess. Most wrecks would have enough salvage value to cover the finance company's interest.

More second hand cars are being financed, and the finance period is extending. For one large writer the average term three months ago was 14.2 months; today it is over 15 months, on used cars. Rates have been reduced in many states. For this firm the average premium in June was around \$62.50; in November it is about \$75. The difference comes from longer terms.

The reduction in used car prices has caused a shift in what was predominantly stated amount coverage on financed business to actual cash value.

Self-Insurers Convention

NEW YORK—Self-Insurers Assn. will hold its 35th annual meeting and dinner here Dec. 8. S. J. Stone, Buffalo, will discuss the problems and activities of self-insurers in that area. Dr. W. P. Van Wagenen, University of Rochester, will talk on the intangible factors in treatment of patients with low back pain.

There will be a panel on the New York disability benefits law. E. R. Alden, manager safety and claims de-

partment, Socony-Vacuum Oil Co., will be leader, and R. A. Hohaus, actuary Metropolitan Life; Henry D. Sayer, general manager New York Compensation Insurance Rating Board, and Harry G. Waltner, Jr., insurance and social security department Standard Oil of New Jersey, members.

ASSOCIATIONS

Teen-Age Talk at Columbus

J. F. Enright of the Ohio bureau of motor vehicles will address Ohio Assn. of Casualty & Surety Managers at Columbus Nov. 14 on "Teen-Age Driver Problems."

Martin N. Y. President

Rankin Martin of Standard Accident was elected president of Surety Underwriters Assn. of the City of New York at the annual meeting. Ashby C. Taylor, Fidelity & Deposit, is vice-president, and Earl A. Usher, Standard Accident, secretary. Putnam L. Crafts, Home Indemnity, is retiring president.

Members of the new executive committee are Tracy R. Clute, Globe Indemnity; E. D. Sadler, American Surety; Philip Saffer, U. S. F. & G.; Richard J. Purcell, Columbia Casualty, and the officers.

Guest Speaker was J. Dewey Dorsett, general manager of Assn. of Casualty & Surety Companies.

Surety Claim Men Hear Gould

NEW YORK—R. F. Hunsdorfer, Massachusetts Bonding, presided at the Surety Claim Men's Forum meeting. William C. Gould, one of the chief examiners of the New York department, gave claim men a clear picture of the operations and procedure of the various departments and bureaus of the department.

The next meeting will be Nov. 17. William F. Plunkett, Travelers Indemnity, will preside.

Cites Test for Private, Government Coverages

If private insurance proves unable to provide the insurance required under new disability laws, the government will take it over, Mary Donlon, chairman New York state workmen's compensation board, predicted at the annual dinner of General Brokers Assn. of the Metropolitan District in New York.

Four standards by which proposals for assistance programs can be tested to define areas appropriate for government monopoly and private insurance were outlined by Miss Donlon. "Where there is a hazard to society as a whole and not merely to the individual assisted, government may properly provide necessary assistance without regard to the financial needs of the individual. Assistance may be furnished by the government to provide a basic floor of security without regard to the means test where there is a non-insurable risk of serious importance concerning such large numbers of individuals as to become a social problem," she said.

"Where there is an insurable risk of income loss of such serious importance to large numbers of individuals as to constitute a social problem, insurance should be mandated to provide the desired protection, but this insurance should not be provided by government monopoly," she stated. "Where the compulsion of legislation would be applied not merely to income payment but also the provision of services, private enterprise should be strengthened to provide such services wherever possible. Today," she explained, "there is a real need for the insurance industry to service medical care insurance so that government may not be tempted into that field."

A mammoth job of publicity will be undertaken by the board to familiarize New York's 170,000 employers and 6

million employees with the provisions of the new law. Every means possible, newspapers, radio, television, movies, subway and sign posters, will be used.

Mo. Sets Rate Hearing for Workmen's Compensation

The Missouri department has scheduled a public hearing for Nov. 17 at Jefferson City to consider various proposals concerning workmen's compensation insurance, especially the proposal that there be a general revision of the prevailing rates.

Also to be considered are revised retrospective rating values for retrospective plans A, B, C, a revised procedure for determining rating values for retrospective plan D, and the effect of the new federal minimum wage law.

Await Minn. Decision

ST. PAUL—Minnesota Compensation Insurance Board has under consideration the proposals of Minnesota compensation insurance rating bureau for a 4.1% decrease in rates for 1950. A decision is expected within a week.

In commenting on the proposals and the fact that only four months ago the companies were granted an increase of 6.1%, James F. Reynolds, general manager of the rating bureau, said: "The new proposals came as no surprise. The increase of 6.1% granted July 1, 1940, was based 100% upon increased benefits brought about by the amendments to the compensation law enacted by the 1940 Minnesota legislature."

"The proposed reduction of 4.1% is based upon experience and follows the pattern of annual rate revisions effective Jan. 1, such program having been in effect for many years."

Complete Maryland School

Maryland Casualty's insurance school awarded diplomas to 37 students from 16 states and District of Columbia, comprising its 17th class, on completing a six-week course.

The class was tendered a banquet at Baltimore. William T. Harper, president of Maryland, was graduation day speaker.

WANT ADS

AUTOMOBILE UNDERWRITER

Progressive western Pennsylvania casualty insurance company has opening in Home Office for an experienced auto underwriter capable of assuming executive responsibilities and of supervising automobile underwriting operations. Replies will be kept confidential and should give personal, educational, and work information, including positions held and present salary. Our personnel know of this vacancy. Address W-51, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED

Casualty Field Man for Illinois. Experienced young man desired. Excellent opportunity. Glens Falls Ins. Co. 175 W. Jackson Blvd. Chicago 4, Ill.

WANTED

General Casualty and Automobile Special Agents for Servicing General Agencies in Detroit and Columbus, Ohio territories. This is a good opportunity for field men desiring to make a connection with a strong, aggressive, expanding company. Apply Personnel Department, Auto-Owners Insurance Company, 613 North Capitol, Lansing, Michigan.

WANTED

UNDERWRITING MANAGER To take charge of all automobile and casualty underwriting in the home office of a midwestern casualty insurance company. Premium income over three million. Address W-54, The National Underwriter, 175 W. Jackson Blvd. Chicago 4, Illinois.



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F. F. L. Head Nat'l

F. Frank Leach, resident manager writing and production office in western United States, is the general manager of the National Firemen's Association.

Mr. Leach has been claimant of the National Firemen's Association, and was president of the association for many years.

John L. Underwriting superintendent department assistant resident manager following the appointment of North Atlantic surety department years as a man's Fund.

William A. N. A. tendent of ability department; ent of the auditing department supervisor.

Krapu is E. N. K. Mutual Se Casualty U as general company \$225,000 authority to It is expected development.

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CHANGES

F. F. Leali Western Head of United Nat'l Indemnity

F. Frank Leali has been appointed resident manager in charge of under-



F. Frank Leali

writing and production operations in western department territory of United National Indemnity under the general supervision of E. H. Forkel, vice-president of National Fire.

Mr. Leali has been claim superintendent of United National since its organization in 1944 and was previously for many years assistant claim manager of London Guarantee and Phoenix Indemnity. He is a lawyer and is well known in the casualty field. He succeeds John Pabst, resigned.

John L. Robertson, superintendent of underwriting, and Daniel J. Cronkhite, superintendent of the fidelity-surety department, have been promoted to assistant resident managers. Mr. Robertson joined United National in 1946, following many years with Indemnity of North America. Mr. Cronkhite was appointed superintendent of the fidelity-surety department in 1946 after several years as a bond underwriter with Fireman's Fund Indemnity.

William P. Winkler, agency superintendent for National Fire, has also been appointed agency superintendent of United National and will devote his attention to the casualty operations of the group under the supervision of Mr. Leali. Mr. Winkler has been with National Fire since 1940, serving as a field man in Iowa and Ohio and was appointed agency superintendent in 1948.

N. A. Laibly continues as superintendent of the compensation and liability department; K. M. Kunath as superintendent of the automobile department; W. C. Essig as superintendent of the accident prevention and auditing department; and H. Woods as supervisor of casualty accounts.

Krapu in New Post

E. N. Krapu, chief underwriter for Mutual Service Casualty, has joined Casualty Underwriters, Inc., of St. Paul as general casualty underwriter. This company has increased its capital to \$225,000 and is now applying for authority to write general casualty lines. It is expected to be ready for this development by Jan. 1.

Newcomer to L. M. C.

Lyle C. Newcomer has been appointed general attorney of Lumbermen's Mutual Casualty and associated companies, with offices at Chicago. He has been engaged in law practice with Morrow & Trippet at Los Angeles. He graduated in law from the University of Southern California in 1935.

Flora to Canadian Post

Lumbermen's Mutual Casualty has appointed L. J. Flora general underwriting manager for Canada. He has been with the company at Chicago more than 20 years.

Two New State Farm Mgrs.

The State Farm companies have appointed Stanford S. Schneider manager of a district comprising six Illinois counties. He succeeds Walter H. Schmidt of Kewanee, who has resigned.

Mr. Schneider is a graduate of University of Colorado.

Donald F. McKnight has been appointed manager of a new district covering five counties, at Pontiac, Ill. He is a graduate of Northwestern.

Opens Tenn. Claim Office

Hartford Accident has established a claim office at Greeneville, Tenn., with Warren R. Jackman in charge. This brings the total number of such offices to 180.

Mr. Jackman has been with the Cleveland office since April, 1948, and was previously an adjuster with Massachusetts Bonding. He is a graduate of Western Reserve University.

Advance Pond at Detroit

Sheldon S. Pond, superintendent of casualty at Detroit of American Surety, has been appointed assistant manager.

Mr. Pond joined the organization in 1937 at Minneapolis. He became a special agent in 1939 and was appointed superintendent of casualty in 1947. He is a graduate of University of North Dakota.

Memmelaar Is Advanced

Glens Falls Indemnity has appointed Garry Memmelaar as manager of the home office payroll audit department, succeeding Arthur A. Johnson who has been placed in charge of the newly created expense control unit for the group. Mr. Memmelaar joined Glens Falls Indemnity in 1941. He has been an inspector at Columbia, S. C., and is succeeded there by Ralph G. Mitchell.

President Law Resigns

M. J. Law has resigned as president and a director of Universal Mutual Casualty of Chicago.

ACCIDENT

Sues for Stockholders' List in Move to Buy Concord L. & A. Control

Shenandoah Life has filed suit in Merrimack county superior court to force United Life & Accident of Concord to disclose its list of stockholders. Shenandoah owns 4,128 shares of United. Hugh F. Dickson of Atlanta and Frank L. McNeny of Dallas have entered into an agreement with Shenandoah to buy these shares if they can obtain an additional 8,000 shares, which would give them control of United. The stock is not traded in on the securities markets.

"Gay 90s" Drive Sets Record

The "Gay Nineties" contest of Continental Casualty's intermediate A. & H. division resulted in a new business production record for October.

The series of four contests, dedicated to the family, used an old fashioned theme. Two-color circulars in tin-type style were used, and agents were urged to sell with "old fashioned" spirit. The contests, which were not announced in advance, ran for one week each, offering prizes for women, the home, children and men.

The prizes for women got the biggest response, with those for children, the home and men following in that order.

Diehl Milwaukee Speaker

Gilbert A. Diehl, manager of Business Men's Assurance and former president of A. & H. Underwriters of Milwaukee, discussed "Time Control" at its November luncheon meeting. Ervin L. Jung, Old Line Life, president, announced that Mr. Diehl will again be general chairman of the Christmas party at which several hundred orphans

from the Milwaukee County Children's Home will be guests.

C. C. Inman, vice-president and agency director of Illinois Mutual Casualty, addressed the annual meeting of the Illinois State Grange at Peoria.

Ariz. "Auto Club" Under Fire

LOS ANGELES—American Safety Drivers Automobile Club of Phoenix, Ariz., has been soliciting membership in California by mail, offering an A. & H. policy, allegedly based upon selection for safe driving.

The California department, which has been scrutinizing its activities for several months, has indicated the advertising accompanying the solicitation is very misleading and so notified the Arizona department. The Arizona commissioner notified the California department of his agreement with its conclusions and that all advertising

hereafter must have the approval of his department.

Commissioner Downey forwarded exhibits of the advertising to the Post-office Department, with his opinion that the advertising not only was misleading but was open to challenge for fraudulent use of the mails. Postal authorities turned it over to federal trade commission.

Auto Rate Changes Denied by Mass. Commissioner

BOSTON—All petitions for changes in tentative compulsory automobile insurance rates were denied when Commissioner Harrington made official the rates announced about a month ago.

Boston's rate will be third highest in the state at \$50.10, a reduction of \$1.10. Revere, with a rate of \$56.30, will be the highest. The minimum rate of \$16.20 will apply in 175 communities, with 18 municipalities paying increased rates.

*Accident, Health,
Casualty,
Fidelity & Surety*



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Organized 1875



Mid-Western Department

Insurance Exchange, Chicago 4, Ill.

William K. Synan, Manager Harold T. Roos, Assistant Manager



United States Head Office

111 John Street, New York 7, N. Y.

Ogden Davidson
United States Manager

Charles A. Barkie

Arthur F. McCarthy

U. S. Assistant Managers

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

Detroit Women's Bosses Night to Honor Many Notables

"Bosses night" will be observed with a dinner Nov. 15 by Insurance Women's Club of Detroit. E. F. Gallagher, manager of special services of Standard Accident, will be master of ceremonies.

Guests of honor will include Commissioner Forbes of Michigan; Frank McCaffrey, president Detroit Assn. of Insurance Agents; E. C. Saulcy, Great American, president Michigan Fire Underwriters Assn.; D. I. Priest, most loyal gander of Michigan Blue Goose; Windle Jarvis, secretary-manager Detroit Assn. of Insurance Agents; Leon J. McVoy, president, and W. O. Hildebrand, secretary-manager Michigan Assn. of Agents; H. B. Corell, deputy commissioner; Louis LaBelle, manager of the department's Detroit office; R. J. Lamar, Firemen's, president of the Michigan Bureau Field Club; H. C. Pollock, New Hampshire, president Michigan Fire Prevention Assn.; K. W. Coleman, president Casualty & Surety Executives Assn. of Michigan, and Allyn J. Crooker, president Surety Assn. of Michigan.

Miss Gladys C. Main, president, and Mrs. Christine D. Buchwald, regional director of National Assn. of Insurance Women, also will be guests of honor.

Wis. Wind Rate Zone Plan Gets Good Test

At the last session of the Wisconsin legislature a law was passed modifying to some extent the complete freedom from rate regulation that was enjoyed by windstorm assessment companies. The law was changed to provide that if such a company desired to set up a zone system in the state with differentials in rates, such a partition would have to receive the approval of the commissioner. As a result of the disastrous windstorm of Oct. 10 that swept up through Wisconsin and Minnesota, the companies that have operated on a zone business feel that their judgment is entirely confirmed. These companies have charged higher rates in the northwest section of the state than in the eastern part along Lake Michigan. They feel that there is a demonstrable difference in the windstorm hazard as between these two sections and they say that the results of the Oct. 10 storm bear them out in this. There was practically no damage near the lake. The greatest loss was in the western and northern section of the state.

The assessment companies, of course, are now making levies on their policyholders to take care of the claims. A number of them have banking arrangements whereunder they are extended credit to pay losses until the assessment proceeds come in. Usually these companies have had little difficulty in collecting assessments and they anticipate little trouble on this occasion although the levies will have to be pretty sizable at this time.

Neb. Expedites Licensing

A new procedure for the relicensing of agents will be introduced in Nebraska next year according to Insurance Director Stone. Near the close of each license year, insurers will receive a listing of their currently licensed agents prepared on a printing tabulator from punch cards. The companies will merely check the names of those agents for whom they wish renewal licenses and sign an authorization. The department discarded the idea of issuing permanent licenses due to the difficulty

in having such licenses returned for cancellation.

The licensing of new agents will also be expedited. A company need execute only a single requisition form on a machine punch card and sign an authorization. This will eliminate the need of filling out and executing the old four part form.

COAST

Cal. Adjusters Group Names Headquarters Man

Robert B. Crofton, who recently retired as vice-president of General Reinsurance and North Star Reinsurance, has been employed as executive secretary of California Assn. of Independent Insurance Adjusters. The appointment was made at the annual business meeting at San Francisco. Mr. Crofton is well known on the coast and has had extensive experience in both casualty and fire insurance. His offices will be at 332 Pine street, San Francisco.

Opens Office at Yakima

A new Yakima office of Frank Allyn, Inc., has been opened with William E. Fox, assistant manager of the company, in charge. Ambrose J. Donovan has been named staff adjuster.

Mr. Fox has been with the firm for more than 12 years and Mr. Donovan, an attorney, has had several years of claims experience. The company now operates seven offices in the state.

King County Assn. to Meet

King County Insurance Assn. has scheduled its annual meeting for Jan. 10 at Seattle.

Reports will be submitted and officers elected at a closed meeting for members only, which will be followed by a cocktail hour and banquet. William C. Greer has been named general chairman in charge of arrangements. R. O. Haynes and E. R. Bowden will assist H. P. Sargent, who has been appointed to head the committee on by-laws revision.

Consider Legislation Committee

An informal all-industry group of insurance organizations may be sponsored soon in Oregon for the purpose of avoiding conflicting positions on legislation.

It is understood that many important groups in the state, for the purpose of exchanging ideas and avoiding waste of time and effort, have been considering formation of a central committee to enable representatives to discuss legislation. The result desired is more efficient utilization of time in legislative sessions.

Marren Modesto Manager

James E. Marren, formerly adjuster-in-charge of the Vallejo, Cal., office of General Adjustment Bureau, has rejoined the organization as branch manager at Modesto, Cal. He succeeds L. F. Smith, resigned.

Mr. Marren, after seven years with Travelers, joined the organization in 1935. He has served the Modesto territory from the Stockton branch as a staff adjuster and is familiar with the territory.

C.P.C.U. Chapter at Seattle

A Pacific Northwest C.P.C.U. chapter has been formed at Seattle, with Leray Hunter as president.

Other officers elected were Kenneth Myers, vice-president, and Ellery Newton, secretary-treasurer.

Observe 30th Anniversary

At a meeting of Denver Assn. of Insurance Agents Nov. 3, Hal D. Van Gilder reviewed the history of the association. This was its 30th anniversary meeting.

Pither Tells of Foreign Cover

Allan A. Pither, west coast manager of American & Foreign Insurance Assn., addressed a luncheon meeting of Fire Underwriters Forum of San Francisco on "Foreign Insurance—an Unique Problem in Underwriting."

Woodward to San Bernardino

Newton S. Woodward has joined Baldwin Adjusting Co. of Riverside, Cal., as manager at San Bernardino. He has been in the adjusting business since 1926 and recently sold his independent adjusting office at Flint, Mich.

EAST

Mayor Names Nov. 16-17 Hartford Insurance Days

HARTFORD—Mayor Coleman has signed a proclamation setting aside Nov. 16 and 17 as Hartford Insurance Days. The program is not yet completed, but a variety of special events is being scheduled.

On Nov. 16, the C.P.C.U. chapter will hold a luncheon. Harry J. Loman, dean of American Institute for Property & Liability Underwriters, will present certificates to 22 men who have qualified for membership.

Principal speaker at this luncheon will be John C. Stott, past president of the National Assn. of Insurance Agents. His topic will be "Objectives Unannounced." City Manager Sharpe will address a luncheon Nov. 17, under the auspices of the Hartford Life Underwriters Assn., on "Managing the Insurance City."

Providence Setup Revamped

Weston & Watson, Inc., of Providence has been formed to take over Plantations Underwriters, in its entirety. This produces a simplification of corporate structure. There has been no change in the officers, directors, companies represented, or methods of operation from those in effect with Plantations Underwriters.

Weston & Watson are state agents for Northwestern Mutual Fire, Lumbermen's Mutual of Mansfield and the Penn Mutual Fire and in addition are general agents for several casualty companies.

Russel G. Weston is president and W. J. Watson vice-president & secretary.

Mark 25 Years with Home

At an informal dinner at Boston, three Massachusetts field men became members of Home's Quarter Century Club. They are: C. Stewart Cole, assistant manager; Lynn P. Marsh, supervising state agent, and George H. Mysall, special agent.

List More Md. Speakers

In addition to Charles P. Butler, executive vice-president of National Assn. of Insurance Agents, already announced as one of the principal speakers at the annual meeting of Maryland Assn. of Insurance Agents at Baltimore, Nov. 16-17, Paul L. Whittington, Baltimore contract manager of American Appraisal

Co., will speak on "Trends in Appraisals," and H. T. Lewis, underwriting manager of Royal, New York, on "Business Interruption Insurance."

Arrangements for the convention are in charge of E. Stuart Windsor of Riggs-Warfield-Roloson, Baltimore.

Adams Sent to Hartford

Sidney J. Adams of Corroon & Reynolds has been named assistant to General Agent P. A. Cosgrove at Hartford. He has been with the company nine years and was an underwriter at the home office.

Insurance Board Sees Film

"Found Money," a newly-produced movie by Inland Marine Underwriters Assn., was shown at the November meeting of the Insurance Board of Hartford. Aetna Casualty sponsored the showing, and Fred M. Castonguay presided at the business session.

SOUTH

Big Birmingham Agency Marks Golden Anniversary

The prominent local agency at Birmingham, Ala., known as Ed. S. Moore, Inc., is marking its 50th anniversary. The agency is carrying an advertising message in the newspapers that includes the pictures of the principals—Charles L. Gandy, who is a past president of National Assn. of Insurance Agents; Ed. S. Moore; C. H. MacNamara; Ed. H. Moore and H. A. Bowron.

There is a message from Mr. Gandy recalling that the agency was founded by Ed. S. Moore who determined at the outset to devote all his energies to the insurance business. That policy has never been changed and the agency's slogan is "Nothing but Insurance." He said that by centralizing its efforts, the agency is enabled to render more efficient and intelligent service. In its 50 years premium writings have exceeded \$13 million and losses paid nearly \$4 million.

N. F. P. A. to Hold Regional at Atlanta Nov. 29-30

National Fire Protection Assn. will hold a regional meeting at Atlanta, Nov. 29-30 for North and South Carolina, Georgia, Florida, Alabama, Mississippi and eastern Tennessee.

Speakers will include Percy Bugbee, general manager of N. F. P. A.; Robert S. Moulton, technical secretary; Horatio Bond, chief engineer; Matthew M. Braidech, research director Southeastern Underwriters Assn.; Henry R. Chase, past president International Assn. of Fire Chiefs; Col. I. D. Brent of national security resources board; Garrett B. James, Sr., chairman N. F. P. A. committee on hazardous chemicals and explosives.

Subjects to be covered include recent fires and their lessons, state and municipal regulation of fire hazards, program and activities of N. F. P. A., storage of cotton and other combustibles, firemen's training, industrial fire departments, gases, paint spraying and kindred subjects. Ample provision has been made for open discussions and questions and answers.

Brown to Be Speaker, Guest

Commissioner Brown, who will address a luncheon of the Dallas Insurance Agents Assn. Nov. 18, will be a guest of the officers and directors of the association at a dinner that night. He will be accompanied to Dallas by two of his assistants, Dennis DuPriest and R. E. Rustin.

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FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855



THE GIRARD FIRE AND MARINE INSURANCE COMPANY

ORGANIZED 1853



NATIONAL-BEN FRANKLIN FIRE INSURANCE COMPANY of Pittsburgh, Pa.

ORGANIZED 1866



THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

ORGANIZED 1870



MILWAUKEE MECHANICS' INSURANCE COMPANY

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ROYAL PLATE GLASS AND GENERAL INSURANCE COMPANY OF CANADA

ORGANIZED 1906



THE METROPOLITAN CASUALTY INSURANCE COMPANY OF NEW YORK

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ORGANIZED 1909



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206 Sansome St., San Francisco 4, Calif.Canadian Departments: 465 Bay Street, Toronto 2, Ontario
535 Homer Street, Vancouver, B. C.

BOXWOOD HALL *The Boudinot Mansion*

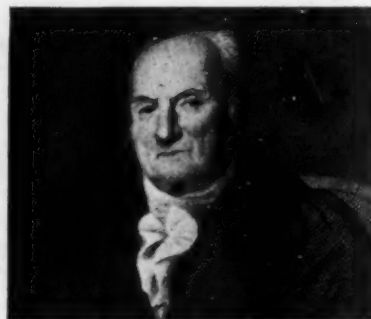


IN AN "elegant barge" rowed by twelve white-garbed sea captains, George Washington was ceremoniously conveyed from New Jersey to New York City for his inauguration as first President. The chairman of the Congressional Committee accompanying him was Elias Boudinot who, before embarking, had entertained Washington and other distinguished guests at luncheon at his home in Elizabethtown, New Jersey.

The first owner of the house where Washington was entertained—and quite possibly its builder—was Samuel Woodruff, wealthy merchant and trustee of Princeton College, who lived there in the years previous to his death in 1768.

In 1772 Boxwood Hall, as the house was thereafter known, was bought by Elias Boudinot, the fourth of his name in this country. As a lawyer, statesman, patriot, scholar and philanthropist, Boudinot was one of the most remarkable men of the Revolutionary period. As Commissary-General of Prisoners, he labored to secure humane treatment for British captives and devoted much time and effort to relieving the sufferings of American prisoners of war. When Congressional funds were lacking Boudinot advanced nearly \$30,000 of his own money, though he realized that the possibility of repayment was dubious.

During the Revolution the British Commissioner, Lord Robertson, was so ill-advised as to approach Boudinot with the hint that the choice of a dukedom or 10,000 pounds a year was available to the man who would undertake to settle "the unhappy dispute." Later, trying force instead of bribery, the British ransacked Boudinot's home in search of the "great rebel," but



"His life was an exhibition of fervent piety, of useful talent, and of extensive benevolence."

as a result of which a young Cherokee asked and was granted permission to adopt his name. In his will were many generous bequests including \$200 to buy spectacles for the poor.

Boudinot left Boxwood Hall after his appointment as Superintendent of the U. S. Mint at Philadelphia. The next owner was Jonathan Dayton, youngest signer of the Constitution, for whom the City of Dayton, Ohio was named.

After serving as a school for young ladies, a boarding house and a home for



Period furnishings are being acquired to replace those shown originally on exhibit.



The metalware by this ornate fireplace is kept gleaming.

fortunately he was attending the Continental Congress in which he served three successive terms. In 1782 he was chosen

President of the United States in Congress Assembled, the highest civil office of the pre-Constitution government, in which capacity he signed the treaty of peace with Great Britain.

Among Boudinot's many philanthropic activities was the education of the Indians,

aged women, the house was acquired by the State of New Jersey. It is now maintained by the State Bureau of Historic Sites, still bearing the name of its most illustrious owner.

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